

## **Assembly Bill No. 139**

### **CHAPTER 74**

An act to amend Sections 1721.5, 2154.4, 2499, 2529.5, 2534, 2568, 2687, 2894, 2981, 3455, 3520, 3771, 4974, 4984.6, 4994, 5683, 6980.81, 6980.82, 7599.71, 7599.74, 7886, 9872, and 17206 of the Business and Professions Code, to amend Section 1789.30 of the Civil Code, to repeal Article 13 (commencing with Section 14095) of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code, to add Section 4101.3 to the Food and Agricultural Code, to amend Sections 7076, 11011, 11044, 11260, 14612.2, 14670, 15849.6, 15863, 16427, 22877, 68085, 68085.5, 69926.5, and 71386 of, to amend and repeal Sections 11139.8 and 14840 of, and to add Sections 9147.5, 11544, 12587.1, 14982, 15849.7, 68085.6, 68085.7, and 68085.8 to, the Government Code, to amend Sections 50517.10, 50601, 50603, 50710.1, and 53533 of the Health and Safety Code, to amend Section 96.7 of the Labor Code, to amend Section 1401 of, to amend and repeal Section 999.7 of, and to add Sections 1402 and 1403 to, the Military and Veterans Code, to amend Section 1214.1 of the Penal Code, to amend Section 6611 of, to amend and repeal Sections 10115.5, 10116, and 10359 of, and to add Section 10111 to, the Public Contract Code, to add Section 42102 to the Public Resources Code, to amend Section 5003.2 of the Public Utilities Code, to amend Sections 97.76, 6479.3, 19183, and 19701 of, and to add Sections 18631.7 and 19523.5 to, the Revenue and Taxation Code, to add Section 9619 to the Unemployment Insurance Code, to add Chapter 3.2 (commencing with Section 18220) to Part 6 of Division 9 of the Welfare and Institutions Code, and to amend Section 16 of Chapter 876 of the Statutes of 2003, relating to state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 2005. Filed with  
Secretary of State July 19, 2005.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 139, Committee on Budget. State government.

(1) Existing law creates various boards and other entities under the jurisdiction of the Department of Consumer Affairs with certain licensing and regulatory functions relative to various professions and vocations. Existing law, with respect to the funds created for certain of these entities, provides that the money in those funds is continuously appropriated for particular purposes.

This bill would delete the continuous appropriations applicable to certain funds. The bill would make other related changes.

(2) Existing law, the Medical Practice Act, regulates the practice of medicine in this state. Existing law establishes the Medically Underserved

Account in the Contingent Fund of the Medical Board of California. Under existing law, specified moneys in the account are continuously appropriated to repay loans per agreements with physicians who practice in underserved areas.

This bill would continuously appropriate all funds in the account for these purposes.

(3) Existing law authorizes the Attorney General and other public prosecutors to bring an action for relief from an act of unfair competition, as defined. Under existing law, a civil penalty may be assessed in the action that is designated for the exclusive use of a public prosecutor, including the Attorney General, for enforcing consumer protection laws.

This bill would create the Unfair Competition Law Fund and would require that the civil penalty recovered by the Attorney General in unfair competition and unfair business practice actions be deposited into the fund and expended, upon appropriation by the Legislature, for investigation and prosecution of these actions, and various other activities.

(4) Existing law regulates persons engaged in the business of making or negotiating deferred deposit transactions and requires every check casher to post a complete and detailed schedule of all fees for cashing checks, drafts, money orders, or other commercial paper, and the sale or issuance of money orders.

This bill would additionally require a check casher who cashes checks for the same person in an aggregate amount exceeding \$10,000 within one calendar year, as provided, to file an informational return with the Franchise Tax Board, as specified. This bill would impose civil penalties on persons who fail to file these returns or fail to supply all of the information required by these returns. In the case of willful failures, this bill would make these failures a new criminal felony and would thereby impose a state-mandated local program.

(5) Existing law provides for the creation, maintenance, and authority of the Sixth District Agricultural Association, which is known as the California Science Center, and which is a tax-exempt organization and instrumentality of the state.

This bill would authorize the center to enter into a site lease and lease-purchase agreement with the California Science Center Foundation for the purpose of constructing and funding of the Phase II Project of the center, as specified.

(5.5) The Enterprise Zone Act requires the Department of Housing and Community Development to administer the act and to designate no more than 42 enterprise zones at any one time that may be proposed by a city, county, or city and county from applications selected on the basis of the most effective, innovative, and comprehensive regulatory, tax, program, and other incentives in attracting private sector investment in the zone proposed. The act also requires the department to provide technical assistance to the enterprise zones and authorizes the department to establish, charge, and collect a fee as reimbursement for the costs of its administration of the act.

Existing law allows a credit against the net tax, as defined, to a taxpayer who employs a qualified employee in an enterprise zone during the taxable year.

Existing law requires the Department of Housing and Community Development, until July 1, 2006, to assess an enterprise zone a fee of not more than \$10 for each application it accepts for issuance of a tax credit certificate.

This bill would extend the assessment of this \$10 fee until January 1, 2007.

(6) Existing law generally sets forth the duties of the Director of Homeland Security in overseeing homeland security activities in the state.

Existing law sets forth the duties of the State Department of Health Services in allocating specified federal funds for activities related to bioterrorism preparedness and response.

This bill would require the director, in collaboration with the department, to annually report to the chairperson of the Joint Legislative Budget Committee and the chairperson of the budget committee of each house of the Legislature, on their respective expenditures of federal homeland security and bioterrorism funds.

(7) Existing law requires generally that moneys received from the disposition of state property shall be paid into the General Fund.

This bill instead would require that the net proceeds, as defined, that are received from any state real property disposition shall be paid into the Deficit Recovery Bond Retirement Sinking Fund Account, a continuously appropriated fund, until the bonds issued pursuant to the Economic Recovery Bond Act are retired, thereby making an appropriation, and thereafter shall be deposited in the Special Fund for Economic Uncertainties. The bill would authorize the Director of Finance to approve loans from the General Fund to the Property Acquisition Law Money Account, which would be created by this bill and would be available for expenditure by the Department of General Services upon appropriation by the Legislature. The bill would provide that these changes are effective retroactively to November 3, 2004.

(8) Existing law authorizes the Director of General Services, with the consent of the state agency involved, to let for a period of not to exceed 5 years, any real or personal property that belongs to the state, subject to specified conditions. Any money received in connection with these leases is required to be deposited in the General Fund for appropriation to the department for specified purposes.

This bill instead would require that any money received in connection with these leases be deposited in the Property Acquisition Law Money Account and be available to the department upon appropriation by the Legislature.

(8.5) Existing law provides that no state agency is required to use the Office of State Publishing for its printing needs until the effective date of the Budget Act of 2005 or July 1, 2005, whichever is later and this provision of existing law is repealed on January 1, 2006.

This bill would continue to provide that no state agency is required to use the Office of State Publishing for its printing needs until the effective date of the Budget Act of 2006 or July 1, 2006, whichever is later, and would repeal this provision on January 1, 2007.

(9) Existing law generally makes the Attorney General responsible for representing state agencies in litigation matters. Under existing law, revenues in the Litigation Deposits Fund are continuously appropriated to the Department of Justice for litigation purposes.

This bill would create the Legal Services Revolving Fund and require state agency payments for legal services rendered by the Attorney General to be deposited therein. The bill would authorize the Attorney General to expend the money in the fund, upon appropriation by the Legislature, for litigation activities. The bill would further provide that revenues transferred to the Legal Services Revolving Fund from the Litigation Deposits Fund may be expended by the Department of Justice only if approved by the Department of Finance.

(10) Existing law requires the Controller, after work is performed, services are rendered, or materials or equipment are furnished by one state agency to another state agency through the advancement or transfer of funds, to transfer the amount ordered by the Director of General Services and adjust the accounts relative to the advancements or transfers to credit the appropriate fund or appropriation.

This bill would require the Controller, instead, to process transfers from time to time as requested by the state agency that performed the work.

(11) Under existing law, the Supervision of Trustees and Fundraisers for Charitable Purposes Act governs charitable corporations, unincorporated associations, trustees, commercial fundraisers, fundraising counsel, commercial coventurers, and other legal entities who hold or solicit property for charitable purposes over which the Attorney General has enforcement and supervisory powers. Under the act, the Attorney General is also required to establish and maintain a register of charitable corporations, unincorporated associations, and trustees subject to the act and copies of specified financial reports required to be filed under the act.

This bill would establish the Registry of Charitable Trusts Fund in the State Treasury, as specified. The bill would require that moneys in the fund, upon appropriation by the Legislature, be used by the Attorney General solely to operate and maintain the Attorney General's Registry of Charitable Trusts and provide public access via the Internet to reports filed with the Attorney General.

(12) Existing law authorizes the Department of General Services to procure prescription drugs on behalf of specified state agencies through bulk purchasing and to investigate and implement other strategies to achieve the greatest savings on prescription drugs with prescription drug manufacturers and wholesalers.

This bill would state the intent of the Legislature that the Department of General Services, University of California, and the Public Employees Retirement System regularly meet and share information regarding each

agency's procurement of prescription drugs in an effort to identify and implement opportunities for cost savings in connection with this procurement. It would require the department to annually develop a work plan and to report, no later than January 10, 2006, and annually thereafter, to the chairperson of the Joint Legislative Budget Committee and the chairs of the fiscal committees of the Legislature on any joint activities of these agencies in connection with procurement of prescription drugs and any resulting cost savings.

(13) Existing law authorizes the State Public Works Board to issue bonds, notes, or other obligations to finance the acquisition or construction of a public building, facility, or equipment as authorized by the Legislature in the total amount authorized by the Legislature, and any additional amount authorized by the board to pay the cost of financing. The additional cost may include, among other things, interest during acquisition or construction of the public building, facility, or equipment.

This bill would additionally include interest prior to and for a period of 6 months after construction of the public building, facility, or equipment within the additional cost of financing that the board may authorize.

The bill would specify that notwithstanding any other provision of law, including, but not limited to, any specific grant of authority on or after June 30, 2001, the board may issue bonds, notes, or bond anticipation notes for any and all phases of specified types of capital outlay projects.

(14) Governor's Reorganization Plan No. 2, as submitted to the Legislature on May 9, 2005 (GRP 2), would create the Department of Technology Services Revolving Fund in the State Treasury and continuously appropriate the fund for specified purposes with respect to the administration of a Department of Technology Services.

This bill would, as of the date that GRP 2 goes into effect, provide that these provisions would not be operative. The bill would, as of that date, instead create the fund in the State Treasury for these purposes, subject to appropriation by the Legislature.

(15) Existing law establishes the Trial Court Trust Fund, the proceeds of which are apportioned for the purposes of funding trial court operations. Existing law specifies certain fees that are to be collected in a special account in the county treasury and transmitted monthly to the Controller for deposit in the Trial Court Trust Fund.

This bill would expand the fees to which that provision applies, to include, among other things, court transfer filing fees, hearing date postponement filing fees, appeals filing fees, judgment debtor filing fees, court order violation fees, judgment creditor filing fees, and contempt of court fees.

The bill would also delete language contained in that provision crediting amounts transmitted from certain recording and indexing fees during a specified time frame against the total amount the county is required to pay to the state.

(16) Existing law specifies that money in the Trial Court Trust Fund is to be invested in the Surplus Money Investment Fund and all interest earned is to be allocated to the Trial Court Trust Fund semiannually.

This bill would instead require that interest earned to be allocated quarterly.

(17) Existing law provides that certain court fees and fines that are not subject to a local revenue sharing agreement or practice, as specified, except as to costs incurred by and services provided by the superior court which are transmitted monthly to the Controller for deposit in the Trial Court Trust Fund, are required to be deposited in a special account in the county treasury. Existing law provides, until July 1, 2005, for the distribution of the revenue from these fees and fines.

This bill would provide for the distribution of these fees and fines commencing July 1, 2005.

(18) Existing law provides, commencing January 1, 2004, for a county-by-county transfer to the Trial Court Trust Fund each fiscal year of the difference between \$31,000,000 and the amount already transmitted to the Trial Court Trust Fund for costs incurred by and services provided by the superior court as described in (1).

This bill would provide, commencing July 1, 2005, that the counties' obligation to remit to the Trial Court Trust Fund each fiscal year the amount described above shall expire. Instead, the counties would be obligated to remit reduced amounts, as specified, to the Trial Court Trust Fund each fiscal year through the 2008-09 fiscal year, in accordance with specified procedures.

The bill would impose new administrative duties on the Administrative Office of the Courts (AOC) and the California State Association of Counties (CSAC), including, among other things, determining the portion of these reduced amounts to be paid by each county. The AOC and the CSAC would be required, by December 31, 2005, to complete an initial review of the impact upon individual counties and courts of the above changes in revenue distribution and payment obligations for the purpose of correcting inequities, as specified, and, by June 30, 2006, to agree upon a methodology to determine whether a reduction in the counties' obligation should be recommended to the Legislature.

This bill would require counties that have not paid amounts billed for the 2003-04 or 2004-05 fiscal year to pay the amounts still owing to the Trial Court Trust Fund by September 1, 2005, and would provide for the calculation of penalties for late payments.

(19) Existing law requires, on or before January 1, 2005, the AOC and the CSAC to jointly propose to the Legislature a long-term revenue allocation schedule, to take effect on July 1, 2005, for specified fees and fines.

This bill would delete this provision.

(20) Under existing law, a court may impose a civil assessment of up to \$250 against a criminal defendant who fails to appear in court, as specified.

This bill would increase the maximum amount that may be assessed under that provision to \$300. The bill would also require each court and county to maintain the collection program that was in effect on July 1, 2005, unless otherwise agreed to by those entities. The bill would further require the court to deposit the money collected under that provision as soon as practicable into a bank account specified by the AOC, for transmission to the Controller for deposit in the Trial Court Trust Fund in accordance with specified procedures.

(21) Existing law requires, commencing in the 1999-2000 fiscal year, and each fiscal year thereafter, each county to remit specified amounts to the Trial Court Trust Fund, including an amount based upon the amount of fine and forfeiture revenue remitted to the state pursuant to specified provisions during the 1994-95 fiscal year.

This bill would, commencing July 1, 2005, reduce each county's annual fine and forfeiture remittance by the amount that the county received from the civil assessments described in (4), after deducting the cost of collecting those civil assessments, in the 2003-04 fiscal year. The bill would require the AOC and CSAC to determine the amount of this reduction for each county, as specified.

(22) Existing law imposes a surcharge of \$20 for court security in addition to the total court fees collected pursuant to specified provisions and also authorizes the collection of an additional surcharge in certain cases filed from January 1, 2004, to June 30, 2005, inclusive.

This bill would extend that additional surcharge until June 30, 2006, as specified.

(23) Until January 1, 2008, or earlier, as specified, the Rural Health Care Equity Program, as administered by the Department of Personnel Administration, provides subsidies and reimbursements for certain health care premiums and health care costs incurred by state employees and annuitants in rural areas in which there is no board-approved health maintenance organization plan available for enrollment. Moneys in the program are disbursed to reimburse eligible employees for, among other things, a portion or all of his or her deductible, coinsurance, and other out-of-pocket health-related expenses that would otherwise be covered if the employee and his or her family members were enrolled in a board-approved health maintenance organization.

This bill would continuously appropriate an unspecified sum from the General Fund to reimburse those eligible employees for a portion or all of his or her out-of-pocket health-related expenses in excess of \$1,500 per fiscal year, not to exceed a total of \$15,336,000 for all fiscal years combined.

(24) Existing law, the Housing and Emergency Shelter Trust Fund Act of 2002, transfers \$910,000,000 from the money deposited in the Housing and Emergency Shelter Trust Fund from the sale of bonds to the Multifamily Housing Program, with certain exceptions, including that \$45,000,000 of that amount is required to be transferred to the Preservation Opportunity Fund and is continuously appropriated for the

preservation of at-risk housing pursuant to the Preservation Opportunity Program, a short-term capital loan program established to ensure that the supply of affordable housing is not depleted by the conversion of existing government-assisted rental housing to market-rate housing. Existing law requires that money received in repayment of loans from the Preservation Opportunity Fund, including interest from that money, be deposited in the Preservation Opportunity Fund. Any funds not encumbered for the Preservation Opportunity Program within 30 months of their transfer to the Preservation Opportunity Fund revert to the Housing Rehabilitation Loan Fund.

This bill would, instead, require that all money received in repayment of loans made under the Preservation Opportunity Program be deposited into the Housing Rehabilitation Loan Fund for use in the Multifamily Housing Program, except for \$5,000,000. By adding a new source of revenue for deposit into this continuously appropriated fund, the bill would make an appropriation. The \$5,000,000 remaining in the Preservation Opportunity Fund and subsequent interest payments on loans made from this amount is required to be made available for the purposes of the Preservation Opportunity Program through at least December 31, 2008, at which time the California Housing Finance Agency may, based on an analysis of need, either continue to make the funds available for the Preservation Opportunity Program or transfer the funds to the Housing Rehabilitation Loan Fund for use in the Multifamily Housing Program, thereby constituting an appropriation.

(25) Existing law requires the Department of Housing and Community Development to make matching grants and loans from the Joe Serna, Jr. Farmworker Housing Grant Fund, for specified purposes, and authorizes matching grants and loans to be made from the fund for other purposes.

Existing law, the Housing and Emergency Shelter Trust Fund Act of 2002, authorizes, for purposes of financing various existing housing and code enforcement programs, the issuance of bonds in the amount of \$2,100,000,000 pursuant to the State General Obligation Bond Law. Existing law provides that \$25,000,000 of these funds be used for projects that serve migratory farmworkers and specifically authorizes the department to receive \$5,500,000 of these funds for the purpose of reconstructing migrant centers operated through the Office of Migrant Services that would otherwise be scheduled for closure due to health or safety considerations or are in need of significant repairs to ensure the health and safety of the residents.

This bill would increase the amount of the \$25,000,000 appropriation that the department may use from \$5,300,000 to \$15,000,000 and would require the department to make at least \$8,159,000 of that amount available for flexible loans and grants for projects that serve migratory agricultural workers under a program provided for under the Joe Serna, Jr. Farmworker Housing Grant Program that uses innovative, cost-effective mechanisms to provide migrant farmworkers with affordable, durable, low-maintenance housing options, as specified. By requiring the



department to use these funds for a new purpose, the bill would make an appropriation. The bill would declare that the changes made by this act are consistent with the Housing and Emergency Trust Fund Act of 2002 and the Joe Serna, Jr. Farmworker Housing Grant Fund.

(26) Existing law authorizes the Department of Housing and Community Development to increase rents for a migrant farm labor center assisted by the Office of Migrant Services above those charged at other such centers under specified circumstances.

This bill would prohibit a rent increase above 30% of the average annualized household incomes of residents of any such facility without legislative authorization.

(27) Existing law requires the Labor Commissioner to, after investigation and determination that wages or benefits are due to an unpaid worker, collect such wages or benefits on behalf of the worker, as specified. Existing law requires that whenever the balance in the Industrial Relations Unpaid Wage Fund is in excess of \$200,000 the Labor Commissioner transmit the excess to the Controller for deposit in the General Fund.

This bill would instead require the Controller, at the end of each fiscal year, to transfer to the General Fund the unencumbered balance of the fund, less 6 months of expenditures as determined by the Director of Finance.

(28) Existing law requires the Department of Veterans Affairs, in voluntary cooperation with the Shasta County Board of Supervisors and the boards of supervisors of specified northern California counties, to design, develop, and construct the Northern California Veterans Cemetery. Existing law requires that all moneys received for the design, development, and construction of the cemetery are to be placed in the Northern California Veterans Cemetery Master Development Fund, a continuously appropriated fund. Existing law provides that specified moneys received for the maintenance of the cemetery are to be deposited to the credit of the Northern California Veterans Cemetery Perpetual Maintenance Fund for expenditure, upon appropriation by the Legislature.

This bill would authorize the administrator of the Northern California Veterans Cemetery to accept donations for the maintenance and beautification of the cemetery, as provided, and would provide that these donations are to be deposited to the credit of the Northern California Veterans Cemetery Perpetual Maintenance Fund. This bill would require that all donations deposited to that fund for the maintenance and beautification of the cemetery be continuously appropriated to the department.

This bill would also provide that any proposal for the construction, placement, or donation of monuments or memorials to the cemetery are to be reviewed by an advisory committee, as specified, and that all proposals are subject to the approval of the director of the department.

(29) Existing law provides that expenditures for the maintenance of the Northern California Veterans Cemetery may not exceed \$600,000 per calendar year.

This bill would instead provide that the total expenditures for both the operations and the maintenance of the cemetery should not exceed \$600,000 per fiscal year, as appropriated in the annual Budget Act.

(30) Existing law requires each state department or agency awarding a contract or procuring goods or services, and each local agency receiving state funds, to report annually to the Governor and Legislature on the level of participation by specified business enterprises in contract and procurement activities. Existing law requires the Department of General Services to submit an annual report to the Legislature with respect to, among other things, procurement categories, construction contract categories, and contracts awarded to specified business enterprises. Existing law requires the Department of Veteran's Affairs to make an annual report to the Governor and Legislature regarding the participation by specified business enterprises in contracts with the department, requires awarding departments to identify steps to meet goals of contracting, and requires the Department of General Services to prepare a summary regarding those goals. Existing law authorizes the Department of General Services, relative to certain contracts, to use a negotiation process if certain conditions exist.

This bill would repeal all of those provisions as of January 1, 2007. This bill would, commencing January 1, 2007, require the department, as defined, to make available a report on contracting activity containing specified information, as provided.

(31) Existing law requires the money in the Hazardous Waste Reduction Loan Account to be expended by the Business, Transportation and Housing Agency to make loans for equipment, projects, or facilities for the reduction of hazardous waste.

This bill would repeal the provisions authorizing that account and would transfer the amount remaining in the Hazardous Waste Reduction Loan Account on January 1, 2006, to the Chrome Plating Pollution Prevention Fund, which this bill would create in the State Treasury, and would require the money in the account be expended by the agency, upon appropriation by the Legislature.

The bill would require any amounts paid to the state for a loan issued pursuant to those former provisions to be transferred to the fund.

The repeal of that account and transfer the money to the fund would become operative only if legislation is enacted and becomes operative on or after June 1, 2005, but before July 1, 2006, that requires the funds so transferred to be expended for environmental control technologies for chrome and metal plating related activities.

(32) Under existing law, the Public Utilities Commission has regulatory authority over public utilities and can establish its own procedures, subject to statutory limitations or directions and constitutional requirements of due process. Existing law directs the Public Utilities Commission to require

specified highway carriers for whom the commission does not establish minimum or maximum rates to pay specified reduced fees, and authorizes the commission to increase the fees on other carriers whose minimum or maximum rates are established by the commission, up to a maximum of  $\frac{1}{2}\%$  of reported gross operating revenue, if necessary, to maintain adequate financing for the purposes of the Transportation Rate Fund. The fees are deposited in the Transportation Rate Fund and are continuously appropriated to the commission for specified regulatory purposes.

This bill would permit the commission to increase these fees on carriers for whom the commission establishes minimum or maximum rates, up to a maximum of 0.7%, thereby making an appropriation.

(33) The Sales and Use Tax Law requires any person whose estimated tax liability averages \$20,000 or more per month to remit amounts due by electronic funds transfer, as provided. That law imposes specified penalties with respect to payment by electronic funds transfer. That law also imposes specified penalties with respect to nonpayment of taxes in general.

This bill would require any person whose estimated monthly tax liability averages \$10,000 or more to remit amounts due by electronic funds transfer, as provided.

(34) Existing income and corporation tax laws impose a penalty of not more than \$5,000 on any person that, among other things, fails to file a return or to supply any information required, or make, render, sign, or verify any false or fraudulent return or statement, or supply any false or fraudulent information.

This bill would impose the penalty only if those violations occur repeatedly over a period of 2 years or more and result in an estimated delinquent tax liability of at least \$15,000.

(35) Existing income and corporation tax laws provide, in the case of willful failure to pay estimated taxes, that the person is guilty of a misdemeanor and subject to a fine or imprisonment, as provided.

This bill would provide that the misdemeanor, fine, or imprisonment provisions do not apply to any person who is mentally incompetent or suffers from dementia, Alzheimer's disease, or a similar condition.

(36) Existing tax laws impose various taxes and fees, and authorize the Franchise Tax Board to administer the assessment, audit, and collection of various taxes and fees.

This bill would require the Franchise Tax Board to suspend or disbar a person from practice, as defined, before the Franchise Tax Board, as provided, if that person has been suspended or disbarred from practice, as defined, before the United States Department of the Treasury, and would require a person who practices before the Franchise Tax Board and is suspended or disbarred from practice before the United States Department of the Treasury to notify the Franchise Tax Board of the suspension or disbarment in writing within 45 days of the issuance of the final order by that department.

(37) Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing law also provides, commencing with the 2004-05 fiscal year, for allocations of ad valorem property tax revenue to each city, county, and city and county in the form of a "vehicle license fee adjustment amount," calculated by the Controller in accordance with statute. Existing law requires the Controller to determine the "vehicle license fee adjustment amount" for each city, county, and city and county for the 2005-06 fiscal year by September 1, 2005.

This bill would instead require the Controller to calculate the "vehicle license fee adjustment amount" for each city, county, and city and county by October 15, 2005, in consultation with the Bureau of State Audits.

(38) Existing law imposes various duties upon the Employment Development Department, including the implementation of various programs with respect to workforce training and development.

This bill would, to the extent that funds are appropriated for this purpose in the annual Budget Act, authorize the Employment Development Department to award grants to regional collaboratives for the creation of regional nursing simulation laboratories, as provided, that will provide additional nursing students with access to clinical education facilities. This bill would limit the amount of any grant so made to \$250,000.

(39) Existing law authorizes, upon adoption by the board of supervisors, a county to establish an At-Risk Youth Early Intervention Program designed to assess and serve families with children who have chronic behavioral problems that place the child at risk of becoming a ward of the juvenile court.

This bill would establish a schedule for the allocation of funds to county probation departments from funds appropriated by the Legislature to provide services for children who are habitual truants, runaways, at risk of being wards of the juvenile court, or under juvenile court supervision or the supervision of the probation department, and would require the Department of Corrections and Rehabilitation to administer the funding allocations.

(40) Existing law requires that the investigation and enforcement of the certain provisions of law by the Attorney General and the Commissioner of Corporations be accomplished without duplication of effort. Existing law further provides that to the extent that the Attorney General exercises that authority, it shall be done using existing resources, and no future budget augmentations be made for that purpose.

This bill would revise those provisions to provide that to the extent the Attorney General exercises that authority, no General Fund budget augmentations would be made for that purpose.

(40.5) Under existing law, the Franchise Tax Board is authorized to prescribe all rules and regulations necessary for the enforcement of the Personal Income Tax Law and the Corporation Tax Law.

This bill would authorize the board to continue to implement the ReadyReturn pilot program, available to specified taxpayers, for the 2005-06 fiscal year and would require the pilot program to be operated in the same manner it was operated during the 2004-05 fiscal year.

(40.7) The Budget Act of 2005 appropriates specified amounts from the General Fund for local assistance to be paid by the State Controller to local governments for the costs of homicide trials, with specified limitations on these reimbursements.

This bill would specify that these funds shall be available for 100% of any extraordinary costs incurred by the County of Stanislaus related to a specified homicide trial.

(40.8) Existing property tax law authorizes grants, under the State-County Property Tax Administration Grant Program, to provide funding for the local administration of property taxes for those counties that elect to receive the grants.

This bill would suspend those grants for the 2006-07 fiscal year.

(41) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(42) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 1721.5 of the Business and Professions Code is amended to read:

1721.5. All funds received by the State Treasurer under the authority of this chapter which relate to dental auxiliaries shall be placed in the State Dental Auxiliary Fund for the purposes of administering this chapter as it relates to dental auxiliaries.

SEC. 2. Section 2154.4 of the Business and Professions Code is amended to read:

2154.4. (a) The Medically Underserved Account is hereby created in the Contingent Fund of the Medical Board of California.

(b) The sum of three million four hundred fifty thousand dollars (\$3,450,000) is hereby authorized to be expended from the Contingent Fund of the Medical Board of California on this program. These moneys are appropriated as follows:

(1) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of

California to the Medically Underserved Account on July 1, 2003. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2003–04 fiscal year for operating expenses necessary to manage this program.

(2) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2004. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2004–05 fiscal year for operating expenses necessary to manage this program.

(3) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2005. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2005–06 fiscal year for operating expenses necessary to manage this program.

(c) Funds placed into the Medically Underserved Account shall be used by the board to repay the loans per agreements made with physicians.

(1) Funds paid out for loan repayment may have a funding match from foundation or other private sources.

(2) Loan repayments may not exceed one hundred five thousand dollars (\$105,000) per individual licensed physician.

(3) Loan repayments may not exceed the amount of the educational loans incurred by the physician applicant.

(d) Notwithstanding Section 11005 of the Government Code, the board may seek and receive matching funds from foundations and private sources to be placed into the Medically Underserved Account. The board also may contract with an exempt foundation for the receipt of matching funds to be transferred to the Medically Underserved Account for use by this program.

(e) Funds in the Medically Underserved Account are continuously appropriated for the repayment of loans per agreements made between the board and the physicians.

SEC. 3. Section 2499 of the Business and Professions Code is amended to read:

2499. There is in the State Treasury the Board of Podiatric Medicine Fund. Notwithstanding Section 2445, the division shall report to the Controller at the beginning of each calendar month for the month preceding the amount and source of all revenue received by it on behalf of the board, pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit into the fund. All revenue received by the board and the division from fees authorized to be charged relating to the practice of podiatric medicine shall be deposited in the fund as provided in this section, and shall be used to carry out the provisions of this chapter relating to the regulation of the practice of podiatric medicine.

SEC. 4. Section 2529.5 of the Business and Professions Code is amended to read:

2529.5. Each person to whom registration is granted under the provisions of this chapter shall pay into the Contingent Fund of the Medical Board of California a fee to be fixed by the Division of Licensing at a sum not in excess of one hundred dollars (\$100).

The registration shall expire after two years. The registration may be renewed biennially at a fee to be fixed by the division at a sum not in excess of fifty dollars (\$50). Students seeking to renew their registration shall present to the division evidence of their continuing student status.

The money in the Contingent Fund of the Medical Board of California shall be used for the administration of this chapter.

SEC. 5. Section 2534 of the Business and Professions Code is amended to read:

2534. The board shall report to the Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit in the Speech-Language Pathology and Audiology Board Fund, which fund is hereby created to carry out the purposes of this chapter.

SEC. 6. Section 2568 of the Business and Professions Code is amended to read:

2568. The board shall report to the Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit in the Dispensing Opticians Fund, which fund is created to carry out the provisions of this chapter.

SEC. 7. Section 2687 of the Business and Professions Code is amended to read:

2687. All fees earned by the board and all fines and forfeitures of bail to which the board is entitled shall be reported at the beginning of each month, for the month preceding, to the State Controller. At the same time, the entire amount of these collections shall be paid into the State Treasury and shall be credited to the Physical Therapy Fund.

This fund shall be for the use of the board to pay all salaries and all other expenses necessarily incurred in carrying into effect the provisions of this chapter.

SEC. 8. Section 2894 of the Business and Professions Code is amended to read:

2894. All money in the Vocational Nursing and Psychiatric Technicians Fund shall be used to carry out the provisions of this chapter, including the promotion of nursing education in this state, and for the refund, in accordance with law, of license fees or other moneys paid into the Vocational Nursing and Psychiatric Technicians Fund under the provisions of this chapter.

Claims against the Vocational Nursing and Psychiatric Technicians Fund shall be audited by the Controller, and shall be paid by the Treasurer upon warrants drawn by the Controller.

SEC. 9. Section 2981 of the Business and Professions Code is amended to read:

2981. The money in the Psychology Fund shall be used for the administration of this chapter.

SEC. 10. Section 3455 of the Business and Professions Code is amended to read:

3455. There is established in the State Treasury the Hearing Aid Dispensers Fund. All fees collected pursuant to this chapter shall be paid by the bureau into the fund. All money in the Hearing Aid Dispensers Fund shall be used to carry out the purposes of this chapter.

SEC. 11. Section 3520 of the Business and Professions Code is amended to read:

3520. Within 10 days after the beginning of each calendar month the board shall report to the Controller the amount and source of all collections made under this chapter and at the same time pay all those sums into the State Treasury, where they shall be credited to the Physician Assistant Fund, which fund is hereby created. All money in the fund shall be used to carry out the purpose of this chapter.

SEC. 12. Section 3771 of the Business and Professions Code is amended to read:

3771. Within 10 days after the beginning of each calendar month, the board shall report to the Controller the amount and source of all collections made from persons licensed or seeking to be licensed under this chapter, and all fines and forfeitures to which the board is entitled, and at the same time, pay all these sums into the State Treasury, where they shall be credited to the Respiratory Care Fund, which is hereby created to carry out the purposes of this chapter.

SEC. 13. Section 4974 of the Business and Professions Code is amended to read:

4974. The board shall report to the Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit in the Acupuncture Fund, which fund is created to carry out the provisions of this chapter.

SEC. 14. Section 4984.6 of the Business and Professions Code is amended to read:

4984.6. (a) The Behavioral Sciences Fund shall be used for the purposes of carrying out and enforcing the provisions of this chapter.

(b) The board shall keep any records as will reasonably ensure that funds expended in the administration of each licensing or registration category shall bear a reasonable relation to the revenue derived from each category, and shall so notify the department no later than May 31 of each year.

(c) Surpluses, if any, may be used in such a way so as to bear a reasonable relation to the revenue derived from each category, and may include, but not be limited to, expenditures for education and research related to each of the licensing or registration categories.



SEC. 15. Section 4994 of the Business and Professions Code is amended to read:

4994. All moneys in the Behavioral Sciences Fund shall be expended by the board for the purposes of the programs under its jurisdiction.

SEC. 16. Section 5683 of the Business and Professions Code is amended to read:

5683. The money paid into the California Architects Board-Landscape Architects Fund shall be used for expenditure in the manner prescribed by law to defray the expenses of the board and in carrying out and enforcing the provisions of this chapter.

SEC. 17. Section 6980.81 of the Business and Professions Code is amended to read:

6980.81. (a) The bureau shall report each month to the Controller the amount and source of all revenue received pursuant to this chapter and shall pay the entire amount thereof into the State Treasury for credit to the Private Security Services Fund.

(b) All moneys paid into the Private Security Services Fund pursuant to subdivision (a) shall be used for the purposes of this chapter.

SEC. 18. Section 6980.82 of the Business and Professions Code is amended to read:

6980.82. The director shall furnish one copy of the licensing law and rules and regulations to any applicant or licensee without charge. The director shall charge and collect a fee equivalent to the cost of producing such laws, rules and regulations, manuals, or guides, plus sales tax for each additional copy which may be furnished on request to any applicant or licensee, and for each copy furnished on request to any other person. All moneys derived pursuant to this section, except for any sales tax collected, shall be used to cover the costs of producing copies of these laws, rules and regulations, manuals, or guides. All moneys collected for sales tax shall be remitted to the State Board of Equalization.

SEC. 19. Section 7599.71 of the Business and Professions Code is amended to read:

7599.71. The director shall furnish one copy of any issue or edition of the licensing law, rules and regulations, manuals, or guides to any applicant or licensee without charge. The director shall charge and collect a fee equivalent to the cost of producing such laws, rules and regulations, manuals, or guides, plus sales tax for each additional copy which may be furnished on request to any applicant or licensee, and for each copy furnished on request to any other person. All moneys derived, pursuant to this section except for any sales tax collected shall be used to cover the costs of producing copies of such laws, rules and regulations, manuals or guides. All moneys collected for sales tax shall be remitted to the State Board of Equalization.

SEC. 20. Section 7599.74 of the Business and Professions Code is amended to read:

7599.74. All money derived from Section 7591.9 shall be used to support the bureau's enforcement program.

SEC. 21. Section 7886 of the Business and Professions Code is amended to read:

7886. The money paid into the Geology and Geophysics Fund shall be used by the board to carry out the provisions of this chapter.

SEC. 22. Section 9872 of the Business and Professions Code is amended to read:

9872. The money in the Electronic and Appliance Repair Fund necessary for the administration of this chapter shall be used for such purposes.

SEC. 23. Section 17206 of the Business and Professions Code is amended to read:

17206. Civil Penalty for Violation of Chapter

(a) Any person who engages, has engaged, or proposes to engage in unfair competition shall be liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General, by any district attorney, by any county counsel authorized by agreement with the district attorney in actions involving violation of a county ordinance, by any city attorney of a city, or city and county, having a population in excess of 750,000, with the consent of the district attorney, by a city prosecutor in any city having a full-time city prosecutor, or, with the consent of the district attorney, by a city attorney in any city and county, in any court of competent jurisdiction.

(b) The court shall impose a civil penalty for each violation of this chapter. In assessing the amount of the civil penalty, the court shall consider any one or more of the relevant circumstances presented by any of the parties to the case, including, but not limited to, the following: the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's assets, liabilities, and net worth.

(c) If the action is brought by the Attorney General, one-half of the penalty collected shall be paid to the treasurer of the county in which the judgment was entered, and one-half to the General Fund. If the action is brought by a district attorney or county counsel, the penalty collected shall be paid to the treasurer of the county in which the judgment was entered. Except as provided in subdivision (e), if the action is brought by a city attorney or city prosecutor, one-half of the penalty collected shall be paid to the treasurer of the city in which the judgment was entered, and one-half to the treasurer of the county in which the judgment was entered. The aforementioned funds shall be for the exclusive use by the Attorney General, the district attorney, the county counsel, and the city attorney for the enforcement of consumer protection laws.

(d) The Unfair Competition Law Fund is hereby created as a special account within the General Fund in the State Treasury. The portion of penalties that is payable to the General Fund or to the Treasurer recovered

by the Attorney General from an action or settlement of a claim made by the Attorney General pursuant to this chapter or Chapter 1 (commencing with Section 17500) of Part 3 shall be deposited into this fund. Moneys in this fund, upon appropriation by the Legislature, shall be used by the Attorney General to support investigations and prosecutions of California's consumer protection laws, including implementation of judgments obtained from such prosecutions or investigations and other activities which are in furtherance of this chapter or Chapter 1 (commencing with Section 17500) of Part 3.

(e) If the action is brought at the request of a board within the Department of Consumer Affairs or a local consumer affairs agency, the court shall determine the reasonable expenses incurred by the board or local agency in the investigation and prosecution of the action.

Before any penalty collected is paid out pursuant to subdivision (c), the amount of any reasonable expenses incurred by the board shall be paid to the Treasurer for deposit in the special fund of the board described in Section 205. If the board has no such special fund, the moneys shall be paid to the Treasurer. The amount of any reasonable expenses incurred by a local consumer affairs agency shall be paid to the general fund of the municipality or county that funds the local agency.

(f) If the action is brought by a city attorney of a city and county, the entire amount of the penalty collected shall be paid to the treasurer of the city and county in which the judgment was entered for the exclusive use by the city attorney for the enforcement of consumer protection laws. However, if the action is brought by a city attorney of a city and county for the purposes of civil enforcement pursuant to Section 17980 of the Health and Safety Code or Article 3 (commencing with Section 11570) of Chapter 10 of Division 10 of the Health and Safety Code, either the penalty collected shall be paid entirely to the treasurer of the city and county in which the judgment was entered or, upon the request of the city attorney, the court may order that up to one-half of the penalty, under court supervision and approval, be paid for the purpose of restoring, maintaining, or enhancing the premises that were the subject of the action, and that the balance of the penalty be paid to the treasurer of the city and county.

SEC. 24. Section 1789.30 of the Civil Code is amended to read:

1789.30. (a) (1) Every check casher, as applicable to the services provided, shall post a complete, detailed, and unambiguous schedule of all fees for (A) cashing checks, drafts, money orders, or other commercial paper serving the same purpose, (B) the sale or issuance of money orders, and (C) the initial issuance of any identification card. Each check casher shall also post a list of valid identification which is acceptable in lieu of identification provided by the check casher. The information required by this section shall be clear, legible, and in letters not less than one-half inch in height. The information shall be posted in a conspicuous location in the unobstructed view of the public within the check casher's premises.

(2) Every check cashier who cashes a check, or a series of checks, in the aggregate amount that exceeds ten thousand dollars (\$10,000) for the same person in the same calendar year, whether in a single transaction or in multiple transactions, shall file a return required by Section 18631.7 of the Revenue and Taxation Code.

(b) (1) Except as provided in paragraph (2), this section shall become operative December 31, 2004.

(2) Paragraph (2) of subdivision (a) shall apply to checks cashed on or after January 1, 2006.

SEC. 25. Article 13 (commencing with Section 14095) of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code is repealed.

SEC. 26. Section 4101.3 is added to the Food and Agricultural Code, to read:

4101.3. (a) Notwithstanding any other provision of law, the California Science Center is hereby authorized to enter into a site lease with the California Science Center Foundation, a California Nonprofit Corporation, with the approval of the State and Consumer Services Agency, Department of Finance, and the Department of General Services, for the purpose of the foundation developing, constructing, equipping, furnishing, and funding the project known as Phase II of the California Science Center. The overall construction cost and scope shall be consistent with the amount authorized in 2002 Budget Act, provided that nothing in this section shall prevent the foundation from expending additional nonstate funds to complete Phase II provided that the additional expenditures do not result in additional state operation and maintenance costs. Any additional expenditure of nonstate funds by the foundation shall not increase the state's contribution.

(b) For the purpose of carrying out subdivision (a), all of the following shall apply:

(1) In connection with the development described in subdivision (a), above, the foundation may, in its determination, select the most qualified construction manager/general contractor to oversee and manage the work and prepare the competitive bid packages for all major subcontractors to be engaged in the construction of Phase II Project. Any construction manager/general contractor selected shall be required to have a California general contractor's license.

(2) Prior to commencement of construction of the Phase II Project, the California Science Center shall enter into a lease-purchase agreement upon approval by the Department of Finance with the foundation on terms that are compatible with the Phase I Project financing. The term of the lease-purchase agreement shall be a term not to exceed 25 years. Lease payments on behalf of the state shall be commensurate with the twenty-two million nine hundred forty-five thousand two hundred sixty-three dollars (\$22,945,263), (nineteen million one hundred thirty-seven thousand dollars (\$19,137,000) plus 19.9 percent augmentation authority) construction cost allocation of the state. Lease payments may also include any cost of financing that the foundation may incur related to tax exempt financing. The California Science Center shall

be authorized to direct the State Controller's Office to send the rental payments under the lease-purchase agreement directly to the foundation's bond trustee.

(3) The foundation shall ensure that the Phase II Project is inspected during construction by the state in the manner consistent with state infrastructure projects. The foundation shall also indemnify and defend and save harmless the Department of General Services for any and all claims and losses accruing and resulting from or arising out of the foundation's use of the state's plans and specifications. The foundation and the California Science Center, upon consultation with the Director of the Department of General Services and the Department of Finance shall agree on a reasonable level of state oversight throughout the construction of the Phase II Project in order to assist the foundation in the completion of the project within the intended scope and cost.

(4) At the end of the term of the site lease and the lease-purchase agreement unencumbered title to the land and improvements shall return to the State of California with jurisdiction held by the California Science Center.

SEC. 26.5. Section 7076 of the Government Code is amended to read:

7076. (a) (1) The department shall provide technical assistance to the enterprise zones designated pursuant to this chapter with respect to all of the following activities:

(A) Furnish limited onsite assistance to the enterprise zones when appropriate.

(B) Ensure that the locality has developed a method to make residents, businesses, and neighborhood organizations aware of the opportunities to participate in the program.

(C) Help the locality develop a marketing program for the enterprise zone.

(D) Coordinate activities of other state agencies regarding the enterprise zones.

(E) Monitor the progress of the program.

(F) Help businesses to participate in the program.

(2) Notwithstanding existing law, the provision of services in subparagraphs (A) to (F), inclusive, shall be a high priority of the department.

(3) The department may, at its discretion, undertake other activities in providing management and technical assistance for successful implementation of this chapter.

(b) The applicant shall be required to begin implementation of the enterprise zone plan contained in the final application within six months after notification of final designation or the enterprise zone shall lose its designation.

(c) The department may establish, charge, and collect a fee as reimbursement for the costs of its administration of this chapter. The department shall assess each enterprise zone a fee of not more than ten dollars (\$10) for each application it accepts for issuance of a certificate

pursuant to subdivision (c) of Section 17053.74 of the Revenue and Taxation Code and subdivision (c) of Section 23622.7 of the Revenue and Taxation Code. The enterprise zone administrator may collect this fee at the time it accepts an application for issuance of a certificate. This subdivision shall become inoperative on January 1, 2007, and shall have no force or effect on or after that date.

(d) Any fee assessed and collected pursuant to subdivision (c) shall be refundable if the certificate issued by the local government pursuant to subdivision (c) of Section 17053.74 of the Revenue and Taxation Code and subdivision (c) of Section 23622.7 of the Revenue and Taxation Code is not accepted by the Franchise Tax Board.

SEC. 27. Section 9147.5 is added to the Government Code, to read:

9147.5. (a) Notwithstanding Section 7550.5, the Director of Homeland Security, in collaboration with the State Department of Health Services, shall, on or before February 1 of each year, report to the chairperson of the Joint Legislative Budget Committee, and the chairperson of the budget committee of each house of the Legislature, on their respective expenditures of federal homeland security and bioterrorism funds.

(b) The report shall include all of the following information:

- (1) Descriptions of grant expenditures and coordination activities at the state and local level that have occurred over the past fiscal year.
- (2) How those activities met the state's strategic goals and objectives.
- (3) Funding amounts awarded to state and local agencies.
- (4) Funding levels by grant and grant year, designating which funds have been expended or encumbered, or remain unencumbered.
- (5) Any challenges encountered by state or local agencies that hindered their expenditure of the funds.
- (6) Areas of focus for the upcoming fiscal year.

(c) Nothing in this section shall be construed to require the Director of Homeland Security or the State Department of Health Services to disclose or include classified information.

SEC. 28. Section 11011 of the Government Code is amended to read:

11011. (a) On or before December 31st of each year, each state agency shall make a review of all proprietary state lands, other than tax-deeded land, land held for highway purposes, lands under the jurisdiction of the State Lands Commission, land that has escheated to the state or that has been distributed to the state by court decree in estates of deceased persons, and lands under the jurisdiction of the State Coastal Conservancy, over which it has jurisdiction to determine what, if any, land is in excess of its foreseeable needs and report thereon in writing to the Department of General Services. These lands shall include, but not be limited to, the following:

- (1) Land not currently being utilized, or currently being underutilized, by the state agency for any existing or ongoing state program.
- (2) Land for which the state agency has not identified any specific utilization relative to future programmatic needs.

(3) Land not identified by the state agency within its master plans for facility development.

(b) Jurisdiction of all land reported as excess shall be transferred to the Department of General Services, when requested by the director thereof, for sale or disposition under this section or as may be otherwise authorized by law.

(c) The Department of General Services shall report to the Legislature annually, the land declared excess and request authorization to dispose of the land by sale or otherwise.

(d) The Department of General Services shall review and consider reports submitted to the Director of General Services pursuant to Section 66907.12 of the Government Code and Section 31104.3 of the Public Resources Code prior to recommending or taking any action on surplus land, and shall also circulate the reports to all agencies that are required to report excess land pursuant to this section. In recommending or determining the disposition of surplus lands, the Director of General Services may give priority to proposals by the state that involve the exchange of surplus lands for lands listed in those reports.

(e) Except as otherwise provided by any other provision of law, whenever any land is reported as excess pursuant to this section, the Department of General Services shall determine whether or not the use of the land is needed by any other state agency. If the Department of General Services determines that any land is needed by any other state agency it may transfer the jurisdiction of this land to the other state agency upon the terms and conditions as it may deem to be for the best interests of the state.

(f) When authority is granted for the sale or other disposition of lands declared excess, and the Department of General Services has determined that the use of the land is not needed by any other state agency, the Department of General Services shall sell the land or otherwise dispose of the same pursuant to the authorization, upon any terms and conditions and subject to any reservations and exceptions as the Department of General Services may deem to be for the best interests of the state. The Department of General Services shall report to the Legislature annually, with respect to each parcel of land authorized to be sold under this section, giving the following information:

(1) A description or other identification of the property.

(2) The date of authorization.

(3) With regard to each parcel sold after the next preceding report, the date of sale and price received, or the value of the land received in exchange.

(4) The present status of the property, if not sold or otherwise disposed of at the time of the report.

(g) Except as otherwise specified by law, the net proceeds received from any real property disposition, including the sale, lease, exchange, or other means, that is received pursuant to this section shall be paid into the Deficit Recovery Bond Retirement Sinking Fund Subaccount, established pursuant to subdivision (f) of Section 20 of Article XVI of the California

Constitution, until the time that the bonds issued pursuant to the Economic Recovery Bond Act (Title 18 (commencing with Section 99050)), approved by the voters at the March 2, 2004, statewide primary election, are retired. Thereafter, the net proceeds received pursuant to this section shall be deposited in the Special Fund for Economic Uncertainties.

For purposes of this section, net proceeds shall be defined as proceeds less any outstanding loans from the General Fund, or outstanding reimbursements due to the Property Acquisition Law Money Account for costs incurred prior to June 30, 2005, related to the management of the state's real property assets, including, but not limited to, surplus property identification, legal research, feasibility statistics, activities associated with land use, and due diligence.

(h) The Director of Finance may approve loans from the General Fund to the Property Acquisition Law Money Account, which is hereby created in the State Treasury, for the purposes of supporting the management of the state's real property assets.

(i) Any rentals or other revenues received by the department from real properties, the jurisdiction of which has been transferred to the Department of General Services under this section, shall be deposited in the Property Acquisition Law Money Account and shall be available for expenditure by the Department of General Services upon appropriation by the Legislature.

(j) Nothing contained in this section shall be construed to prohibit the sale, letting, or other disposition of any state lands pursuant to any law now or hereafter enacted authorizing the sale, letting, or disposition.

(k) Subdivisions (a) to (f), inclusive, of this section shall be inoperative from August 16, 2004, until July 1, 2005, with the exception of subdivisions (g) to (j), inclusive, which shall take effect retroactively, beginning November 3, 2004.

SEC. 29. Section 11044 of the Government Code is amended to read:

11044. (a) The Legal Services Revolving Fund is hereby created in the State Treasury. The Department of Justice shall administer this fund. Moneys in the fund, upon appropriation by the Legislature, shall be used by the Attorney General for investigation and litigation activities taken on behalf of the state agencies employing the legal services of the department and for investigation and litigation activities funded through judgments or settlements.

(b) For state agencies, departments, or programs that are charged for the costs of legal services rendered by the Attorney General, the Attorney General shall charge an amount sufficient to recover the costs incurred in providing the legal services. These funds shall be deposited into the Legal Services Revolving Fund. Except as approved by the Department of Finance, charges for legal services may not be made against the General Fund, but may be made against any other fund or special account in the General Fund.

(c) Upon the request of the Attorney General in the form prescribed by the Controller, the Controller shall transfer the amount of the charges for



services rendered from the agency's appropriation to the appropriation for the support of the Attorney General's office, provided that the Attorney General shall not request an amount which, when added to previous charges in the same fiscal year, exceeds the amount budgeted by the state agency for Attorney General legal services. Payments for these charges shall be credited to and in augmentation of the appropriation for the support of the Attorney General's office from which the cost of the services was or will be paid.

(d) A state agency that has a dispute regarding charges for legal services provided by the Attorney General shall notify the Attorney General, in writing, of the dispute and the basis for it. The Attorney General shall immediately provide a credit to the state agency in the subsequent billing or billings for the amount of the charges in dispute. No further transfer of funds shall occur with respect to the services for which charges are disputed until the dispute is resolved by the Attorney General, subject to the approval of the Department of Finance.

SEC. 30. Section 11139.8 of the Government Code is amended to read:

11139.8. (a) Notwithstanding any other provision of law, commencing January 1, 2003, each state department or agency awarding a contract or procuring goods or services shall, and each local agency receiving state funds may, collect information and report to the Governor and the Legislature on the level of participation by minority, women, and disabled veteran-owned business enterprises in contract and procurement activities as identified in this section. The reports shall be submitted annually, on or before July 1 of each year, and shall include dollar values of contract awards for the following categories of contractors:

- (1) Construction.
- (2) Architecture and engineering and other professional services.
- (3) Procurement of materials, supplies, and equipment.
- (4) Information technology procurements.

(b) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 31. Section 11260 of the Government Code is amended to read:

11260. After work is performed, services are rendered, or materials or equipment are furnished pursuant to advances or transfers made under Sections 11257 and 11258, the Controller shall process transfers from time to time as requested by the state agency that performed the work. Any agency receiving an advance or transfer under Section 11257 or 11258 shall remain fully accountable therefor to the Controller who shall audit as provided in Section 12410.

SEC. 32. Section 11544 is added to the Government Code, to read:

11544. (a) The Department of Technology Services Revolving Fund, hereafter known as the fund, is hereby created within the State Treasury. The fund shall be administered by the director, pursuant to the department's plan of operations, to receive all revenues from the sale of technology or technology services provided for in this chapter and all other

moneys properly credited to the board and department from any other source, and, subject to appropriation by the Legislature, to pay all costs arising from this chapter, including, but not limited to, operating and other expenses of the board and department and costs associated with approved information technology projects, and to establish reserves. At the discretion of the director, segregated, dedicated accounts within the fund may be established.

(b) The fund shall consist of all of the following:

(1) Moneys appropriated and made available by the Legislature for the purpose of this chapter.

(2) Any other moneys that may be made available to the department for the purpose of this chapter from any other source, including the return from investments of moneys by the Treasurer.

(c) The department may collect payments from public agencies for providing services to those agencies that the agencies have contracted with the department to provide. The department may require monthly payments by client agencies for the services the agencies have contracted the department to provide. Pursuant to Section 11255, the Controller shall transfer any amounts so authorized by the department, consistent with the annual budget of each department, to the fund. The department shall notify each affected state agency upon requesting the Controller to make the transfer.

(d) If the balance remaining in the fund at the end of any fiscal year exceeds 25 percent of the department's current fiscal year budget, the excess amount shall be used to reduce the billing rates for services rendered during the following fiscal year.

SEC. 33. Section 12587.1 is added to the Government Code, to read:

12587.1. (a) The Registry of Charitable Trusts Fund is hereby established in the State Treasury, to be administered by the Department of Justice.

(b) Notwithstanding any other provision of law, all registration fees, registration renewal fees, and late fees or other fees paid to the Department of Justice pursuant to this article, Section 2850 of the Probate Code, or Section 320.5 of the Penal Code, shall be deposited in the Registry of Charitable Trusts Fund.

(c) Moneys in the fund, upon appropriation by the Legislature, shall be used by the Attorney General solely to operate and maintain the Attorney General's Registry of Charitable Trusts and provide public access via the Internet to reports filed with the Attorney General.

SEC. 33.5. Section 14612.2 of the Government Code is amended to read:

14612.2. (a) Notwithstanding Chapter 7 (commencing with Section 14850) of Part 5.5 of Division 3 of Title 2 of, or Section 14901 of, the Government Code, no agency is required to use the Office of State Publishing for its printing needs and the Office of State Publishing may offer printing services to both state and other public agencies, including cities, counties, special districts, community college districts, the

California State University, the University of California, and agencies of the United States government. When soliciting bids for printing services from the private sector, all state agencies shall also solicit a bid from the Office of State Publishing when the project is anticipated to cost more than five thousand dollars (\$5,000).

(b) This section shall remain operative only until the effective date of the Budget Act of 2006 or July 1, 2006, whichever is later, and as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 34. Section 14670 of the Government Code is amended to read:

14670. (a) With the consent of the state agency concerned, the director may do any of the following:

(1) Let for a period of not to exceed five years, any real or personal property that belongs to the state, the letting of which is not expressly prohibited by law, if he or she deems the letting to be in the best interest of the state.

(2) Sublet any real or personal property leased by the state, the subletting of which is not expressly prohibited by law, if he or she deems the subletting to be in the best interest of the state.

(3) Let for a period not to exceed five years, and at less than fair market rental, any real property of the state to any public agency for use as nonprofit, self-help community vegetable gardens and related supporting activities, provided:

(A) Parcels let for those purposes shall not exceed five acres.

(B) Two or more contiguous parcels shall not be let for those purposes.

(C) Parcels shall be let subject to applicable local zoning ordinances.

(b) The Legislature finds and declares that any leases let at less than fair market rental pursuant to paragraph (3) of subdivision (a) shall be of broad public benefit.

(c) Any money received in connection with paragraph (1) of subdivision (a) shall be deposited in the Property Acquisition Law Money Account and shall be available to the department upon appropriation by the Legislature.

(d) All money received pursuant to paragraph (2) of subdivision (a) shall be accounted for to the Controller at the close of each month and on order of the Controller be paid into the State Treasury and credited to the appropriation from which the cost of the lease was paid.

SEC. 35. Section 14840 of the Government Code is amended to read:

14840. The department shall submit an annual report to the Legislature no later than January 1 of each year containing the following information:

(a) Upon request, an up-to-date list of eligible small business bidders by general procurement and construction contract categories, noting company names and addresses and also noting which small businesses also qualify as microbusinesses.

(b) By general procurement and construction contract categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(c) By awarding department and general procurement and construction categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(d) Any recommendations for changes in statutes or state policies to improve opportunities for small businesses and microbusinesses.

(e) A statistical summary of small businesses and microbusinesses certified for state contracting by the number of employees at the business for each of the following categories: 0–25, 26–50, 51–75, and 76–100.

(f) To the extent feasible, beginning in the year 2002, the number of contracts awarded by the department in the categories specified in subdivision (e).

(g) The number of contracts and dollar amounts awarded annually pursuant to Section 14838.5 to small businesses, microbusinesses, and disabled veteran business enterprises.

(h) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 36. Section 14982 is added to the Government Code, to read:

14982. (a) It is the intent of the Legislature that the Department of General Services, University of California, and the Public Employees Retirement System regularly meet and share information regarding each agency's procurement of prescription drugs in an effort to identify and implement opportunities for cost savings in connection with this procurement. It is the intent of the Legislature that the University of California and the Public Employees Retirement System cooperate with the department in order to reduce each agency's costs for prescription drugs.

(b) The department shall do all of the following:

(1) Share information on a regular basis with the University of California and the Public Employees Retirement System regarding each agency's procurement of prescription drugs, including, but not limited to, prices paid for the same or similar drugs and information regarding drug effectiveness.

(2) Identify opportunities for the department, the University of California, and the Public Employees Retirement System to consolidate drug procurement or engage in other joint activities that will result in cost savings in the procurement of prescription drugs.

(3) Participate in at least one independent association that develops information on the relative effectiveness of prescription drugs.

(4) No later than January 1, 2006, and annually thereafter, develop a work plan that includes, but is not limited to, a description of the department's annual activities to reduce the state's costs for prescription drugs and an estimate of cost savings.

(5) No later than January 10, 2006, and annually thereafter, report to the chairperson of the Joint Legislative Budget Committee and the chairs of the fiscal committees of the Legislature on any joint activities of the department, the University of California, and the Public Employees Retirement System in the last 12 months in connection with procurement of prescription drugs and any resulting cost savings. This report shall include the work plan described in paragraph (4).

(c) Nothing in this section shall be construed to require sharing of information that is prohibited by any other provision of law or contractual agreement, or the disclosure of information that may adversely affect potential drug procurement by any state agency.

SEC. 37. Section 15849.6 of the Government Code is amended to read:

15849.6. Notwithstanding any provision of this part to the contrary, the board may issue bonds, notes, or other obligations to finance the acquisition or construction of a public building, facility, or equipment as authorized by the Legislature, in the total amount authorized by the Legislature, and any additional amount authorized by the board to pay the cost of financing. This additional amount may include interest during acquisition or interest prior to, during, and for a period of six months after construction of the public building, facility, or equipment, interest payable on any interim loan for the public building, facility, or equipment from the General Fund pursuant to Section 15849.1 or from the Pooled Money Investment Account pursuant to Section 16312 or 16313, a reasonably required reserve fund, and the costs of issuance of permanent financing after completion of the construction or acquisition of the public building, facility, or equipment.

This section shall be applicable to, but not limited to, bonds, notes, or obligations of the board that were authorized by appropriations of the Legislature made prior to the effective date of this section.

SEC. 38. Section 15849.7 is added to the Government Code, to read:

15849.7. Notwithstanding any other provision of law, including, but not limited to, any specific grant of authority on or after June 30, 2001, the State Public Works Board may issue bonds, notes, or bond anticipation notes for any and all phases of any capital outlay project authorized to be financed pursuant to Chapter 5 (commencing with Section 15830).

SEC. 39. Section 15863 of the Government Code is amended to read:

15863. (a) The net proceeds of any sale made pursuant to Section 15862 shall be deposited in the Deficit Recovery Bond Retirement Sinking Fund Subaccount established pursuant to subdivision (f) of Section 20 of Article XVI of the California Constitution, until the time that the bonds issued pursuant to the Economic Recovery Bond Act (Title 18 (commencing with Section 99050)), approved by the voters at the March 2, 2004, statewide primary election, are retired. At that time, the net proceeds, as defined in subdivision (g) of Section 11011, received pursuant to this section shall be deposited in the Special Fund for Economic Uncertainties.

(b) All rents received by the Department of General Services pursuant to Section 15862 shall be deposited in the Property Acquisition Law Money Account and shall be available for expenditure by the Department of General Services upon appropriation.

SEC. 40. Section 16427 of the Government Code is amended to read:

16427. (a) For purposes of this article, “department” means the Department of Justice.

(b) The fund is under the control of the department. The department shall maintain accounting records pertaining to the fund, including subsidiary records of individual litigation deposits and the disbursements from the fund.

(c) The department shall file a claim with the Controller to pay out money in the fund to whomever and at the time the department directs. However, notwithstanding Section 13340, if a sum of money in the fund was deposited pursuant to order or direction of the court, that sum shall be paid to whomever and at the time the court directs. The department may expend revenue transferred from the fund to the Legal Services Revolving Fund only upon approval by the Department of Finance. The department shall submit a written application to the Department of Finance to request approval for the expenditure. The request shall be deemed approved if the Department of Finance neither approves nor disapproves the request within 30 days of receipt of the application.

(d) Any residue remaining in a deposit account after satisfaction of all court-directed claims, or payment of departmental expenditures for that account shall be transferred no later than July 1 of each fiscal year to the General Fund.

(e) The department shall prepare and submit to the chairperson of the Joint Legislative Budget Committee, the chairpersons of the fiscal committees of the Senate and the Assembly, and the Director of Finance, quarterly reports concerning the activity of the fund that detail the number of deposits received, the receipt of interest income, disbursements to claimants, and what amount, if any, was used for the litigation costs of the department.

SEC. 41. Section 22877 of the Government Code is amended to read:

22877. (a) As used in this section, the following definitions shall apply:

(1) “Coinsurance” means the provision of a health benefit plan design that requires the health benefit plan and state employee or annuitant to share the cost of hospital or medical expenses at a specified ratio.

(2) “Deductible” means the annual amount of out-of-pocket medical expenses that a state employee or annuitant must pay before the health benefit plan begins paying for expenses.

(3) “Program” means the Rural Health Care Equity Program.

(4) “Rural area” means an area in which there is no board-approved health maintenance organization plan available for enrollment by state employees or annuitants residing in the area.

(b) (1) The Rural Health Care Equity Program is hereby established for the purpose of funding the subsidization and reimbursement of premium costs, deductibles, coinsurance, and other out-of-pocket health care expenses paid by employees and annuitants living in rural areas that would otherwise be covered if the state employee or annuitant was enrolled in a board-approved health maintenance organization plan. The program shall be administered by the Department of Personnel Administration or by a third-party administrator approved by the Department of Personnel Administration in a manner consistent with all applicable state and federal laws. The board shall determine the rural area for each subsequent fiscal year, at the same time that premiums for health maintenance organization plans are approved.

(2) Separate accounts shall be maintained within the program for all of the following:

- (A) Employees, as defined in subdivision (c) of Section 3513.
- (B) Excluded employees, as defined in subdivision (b) of Section 3527.
- (C) State annuitants.

(c) Moneys in the program shall be allocated to the respective accounts as follows:

(1) The contribution provided by the state with respect to each employee, as defined in subdivision (c) of Section 3513, who lives in a rural area and is otherwise eligible, shall be an amount determined through the collective bargaining process.

(2) The contribution provided by the state with respect to each excluded employee, as defined in subdivision (b) of Section 3527, who lives in a rural area and is otherwise eligible, shall be an amount equal to, but not to exceed, the amount contributed pursuant to paragraph (1).

(3) The contribution provided by the state with respect to each state annuitant who lives in a rural area, is not a Medicare participant, resides in California, and is otherwise eligible, shall be an amount not to exceed five hundred dollars (\$500) per year.

(4) The contribution provided by the state with respect to each state annuitant who lives in a rural area, resides in California, participates in a supplement Medicare health benefit plan, and is otherwise eligible, shall be an amount equal to the Medicare Part B premiums incurred by the annuitant, not to exceed seventy-five dollars (\$75) per month. The program may not reimburse for penalty amounts.

(5) If an employee enters or leaves service with the state during a fiscal year, contributions for the employee shall be made on a pro rata basis. A similar computation shall be used for anyone entering or leaving the bargaining unit, including a person who enters the bargaining unit by promotion during a fiscal year.

(d) Each fund of the State Treasury, other than the General Fund, shall reimburse the General Fund for any sums allocated pursuant to subdivision (c) for employees whose compensation is paid from that fund. That reimbursement shall be accomplished using the following methodology:

(1) On or before December 1 of each year, the Department of Personnel Administration shall provide a list of active state employees who participated in the program during the previous fiscal year to each employing department.

(2) On or before January 15 of each year, each department that employed an active state employee identified by the Department of Personnel Administration as a participant in the program shall provide the Department of Personnel Administration with a list of the funds used to pay each employee's salary, along with the proportion of each employee's salary attributable to each fund.

(3) Using the information provided by the employing departments, the Department of Personnel Administration shall compile a list of program payments attributable to each fund. On or before February 15 of each year, the Department of Personnel Administration shall transmit this list to the Department of Finance.

(4) The Department of Finance shall certify to the Controller the amount to be transferred from the unencumbered balance of each fund to the General Fund.

(5) The Controller shall transfer to the General Fund from the unencumbered balance of each impacted fund the amount specified by the Department of Finance.

(6) To ensure the equitable allocation of costs, the Director of the Department of Personnel Administration or the Director of Finance may require an audit of departmental reports.

(e) For any sums allocated pursuant to subdivision (c) for annuitants, funds, other than the General Fund, shall be charged a fair share of the contribution provided by the state in accordance with the provisions of Article 2 (commencing with Section 11270) of Chapter 3 of Part 1 of Division 3. On or before July 31 of each year, the Department of Personnel Administration shall provide the Department of Finance with the total costs allocated for annuitants in the previous fiscal year. The reported costs may not include expenses that have been incurred but not claimed as of July 31.

(f) Notwithstanding any other provision of law and subject to the availability of funds, moneys within the program shall be disbursed for the benefit of eligible employees. The disbursements shall subsidize the preferred provider plan premiums for the employee by an amount equal to the difference between the weighted average of board-approved health maintenance organization premiums and the lowest board-approved preferred provider plan premium available under this part, and reimburse the employee for a portion or all of his or her incurred deductible, coinsurance, and other out-of-pocket health-related expenses that would otherwise be covered if the employee and his or her family members were enrolled in a board-approved health maintenance organization plan. These subsidies and reimbursements shall be provided as determined by the Department of Personnel Administration, which may include, but is not



limited to, a supplemental insurance plan, a medical reimbursement account, or a medical spending account plan.

(g) Notwithstanding any other provision of law and subject to the availability of funds, moneys within the program shall be disbursed for the benefit of eligible annuitants. The disbursements shall either reimburse the annuitant, if not a Medicare participant, for some or all of the deductible incurred by the annuitant or a family member, not to exceed five hundred dollars (\$500) per fiscal year, or reimburse the annuitant, if a Medicare participant, for Medicare Part B premiums incurred by the annuitant, not to exceed seventy-five dollars (\$75) per month. The program may not reimburse for penalty amounts. These reimbursements shall be provided by the Department of Personnel Administration. Notwithstanding any other provision of law, any annuitant who cannot be located within a period of three months and whose disbursement is returned to the Controller as unclaimed is ineligible to participate in the program.

(h) Subject to subdivision (i), moneys remaining in an account of the program at the end of any fiscal year shall remain in the account for use in subsequent fiscal years, until the account is terminated. Moneys remaining in a program account upon termination, after payment of all expenses and claims incurred prior to the date of termination, shall be deposited in the General Fund.

(i) Notwithstanding Section 13340, there is hereby continuously appropriated, in support of subdivision (f), moneys to reimburse eligible employees for a portion or all of his or her out-of-pocket health-related expenses in excess of one thousand five hundred dollars (\$1,500) per fiscal year. In no case shall the total expenditures from this appropriation exceed fifteen million three hundred thirty-six thousand dollars (\$15,336,000) for all fiscal years combined.

(j) The Legislature finds and declares that the program is established for the exclusive benefit of employees, annuitants, and family members.

(k) This section shall cease to be operative on January 1, 2008, or on an earlier date if the board makes a formal determination that health maintenance organization plans are no longer the most cost-effective health benefit plans offered by the board.

SEC. 42. Section 68085 of the Government Code is amended to read:

68085. (a) (1) There is hereby established the Trial Court Trust Fund, the proceeds of which shall be apportioned at least quarterly for the purpose of funding trial court operations, as defined in Section 77003. Apportionment payments may not exceed 30 percent of the total annual apportionment to the Trial Court Trust Fund for state trial court funding in any 90-day period.

(2) The apportionment payments shall be made by the Controller. The final payment from the Trial Court Trust Fund for each fiscal year shall be made on or before August 31 of the subsequent fiscal year.

(3) If apportionment payments are made on a quarterly basis, the payments shall be on July 15, October 15, January 15, and April 15. In addition to quarterly payments, a final payment from the Trial Court Trust

Fund for each fiscal year may be made on or before August 31 of the subsequent fiscal year.

(4) Notwithstanding any other provision of law, in order to promote statewide efficiency, the Judicial Council may authorize the direct payment or reimbursement or both of actual costs from the Trial Court Trust Fund or the Trial Court Improvement Fund to fund administrative infrastructure within the Administrative Office of the Courts, such as legal services, financial services, information systems services, human resource services, and support services, for one or more participating courts upon appropriation of funding for these purposes in the annual Budget Act. The amount of appropriations from the Trial Court Improvement Fund under this subdivision may not exceed 20 percent of the amount deposited in the Trial Court Improvement Fund pursuant to subdivision (a) of Section 77205. Upon prior written approval of the Director of Finance, the Judicial Council may also authorize an increase in any reimbursements or direct payments in excess of the amount appropriated in the annual Budget Act. For any increases in reimbursements or direct payments within the fiscal year that exceed two hundred thousand dollars (\$200,000), the Director of Finance shall provide notification in writing of any approval granted under this section, not less than 30 days prior to the effective date of that approval, to the chairperson of the committee in each house of the Legislature that considers appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the annual Budget Act, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance, determine. The direct payment or reimbursement of costs from the Trial Court Trust Fund may be supported by the reduction of a participating court's allocation from the Trial Court Trust Fund to the extent that the court's expenditures for the program are reduced and the court is supported by the program. The Judicial Council shall provide the affected trial courts with quarterly reports on expenditures from the Trial Court Trust Fund incurred as authorized by this subdivision. The Judicial Council shall establish procedures to provide for the administration of this paragraph in a way that promotes the effective, efficient, reliable, and accountable operation of the trial courts.

(b) Notwithstanding any other provision of law, the fees listed in subdivision (c) shall all be deposited upon collection in a special account in the county treasury, and transmitted monthly to the Controller for deposit in the Trial Court Trust Fund.

(c) (1) Except as specified in subdivision (d), this section applies to all fees collected pursuant to Sections 631.3, 116.230, and 403.060 of the Code of Civil Procedure and Sections 26820.4, 26823, 26826, 26826.01, 26827, 26827.4, 26830, 26832.1, 26833.1, 26835.1, 26836.1, 26837.1, 26838, 26850.1, 26851.1, 26852.1, 26853.1, 26855.4, 26862, 68086, 72055, 72056, 72056.01, and 72060.

(2) Notwithstanding any other provision of law, except as specified in subdivision (d), this section applies to all fees and fines collected pursuant to Sections 116.390, 116.570, 116.760, 116.860, 177.5, 491.150, 704.750, 708.160, 724.100, 1134, 1161.2, and 1218 of the Code of Civil Procedure, Sections 26824, 26828, 26829, 26834, and 72059 of this code, and Sections 166 and 1214.1 of the Penal Code.

(3) If any of the fees provided for in this subdivision are partially waived by court order, and the fee is to be divided between the Trial Court Trust Fund and any other fund, the amount of the partial waiver shall be deducted from the amount to be distributed to each fund in the same proportion as the amount of each distribution bears to the total amount of the fee.

(d) This section does not apply to that portion of a filing fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056 which is allocated for dispute resolution pursuant to Section 470.3 of the Business and Professions Code, the county law library pursuant to Section 6320 of the Business and Professions Code, the Judges' Retirement Fund pursuant to Section 26822.3, automated recordkeeping or conversion to micrographics pursuant to Sections 26863 and 68090.7, and courthouse financing pursuant to Section 76238. This section also does not apply to fees collected pursuant to subdivisions (a) and (c) of Section 27361.

(e) This section applies to all payments required to be made to the State Treasury by any county or city and county pursuant to Section 77201, 77201.1, or 77205.

(f) Notwithstanding any other provision of law, no agency may take action to change the amounts allocated to any of the funds described in subdivision (a), (b), (c), or (d).

(g) The Judicial Council shall reimburse the Controller for the actual administrative costs that will be incurred under this section. Costs reimbursed under this section shall be determined on an annual basis in consultation with the Judicial Council.

(h) Any amounts required to be transmitted by a county or city and county to the state pursuant to this section shall be remitted to the Controller no later than 45 days after the end of the month in which the fees were collected. This remittance shall be accompanied by a remittance advice identifying the collection month and the appropriate account in the Trial Court Trust Fund to which it is to be deposited. Any remittance that is not made by the county or city and county in accordance with this section shall be considered delinquent, and subject to the penalties specified in this section.

(i) Upon receipt of any delinquent payment required pursuant to this section, the Controller shall calculate a penalty on any delinquent payment by multiplying the amount of the delinquent payment at a daily rate equivalent to 1½ percent per month for the number of days the payment is delinquent. Notwithstanding Section 77009, any penalty on a delinquent payment that a court is required to reimburse to a county's general fund

pursuant to this section and Section 24353 shall be paid from the Trial Court Operations Fund for that court.

(j) Penalty amounts calculated pursuant to subdivision (i) shall be paid by the county to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated.

(k) The Trial Court Trust Fund shall be invested in the Surplus Money Investment Fund and all interest earned shall be allocated to the Trial Court Trust Fund quarterly and shall be allocated among the courts in accordance with the requirements of subdivision (a). The specific allocations shall be specified by the Judicial Council.

(l) It is the intent of the Legislature that the revenues required to be deposited into the Trial Court Trust Fund be remitted as soon after collection by the courts as possible.

SEC. 43. Section 68085.5 of the Government Code is amended to read:

68085.5. (a) Notwithstanding any other provision of law, except subdivision (h) and Section 68085.6, the fees and fines collected pursuant to Sections 116.390, 116.570, 116.760, 116.860, 491.150, 704.750, 708.160, 724.100, 1134, and 1161.2 of the Code of Civil Procedure, Sections 26824, 26828, 26829, 26834, and 72059 of the Government Code, and Section 1835 of the Probate Code, that are not part of a local revenue sharing agreement or practice shall be deposited in a special account in the county treasury and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(b) Notwithstanding any other provision of law, except subdivision (h) and Section 68085.6, the fees and fines collected pursuant to Sections 26827.6, 26827.7, 26840.1, 26847, 26854, 26855.1, 26855.2, 26859, 27293, 71386, and 72061 of the Government Code, Section 103470 of the Health and Safety Code, Sections 1203.4 and 1203.45 of the Penal Code, Sections 2343, 7660, and 13201 of the Probate Code, and Section 14607.6 of the Vehicle Code, that are not subject to a local revenue sharing agreement or practice, shall be deposited in a special account in the county treasury.

(c) However, if a superior court incurs the cost or provides the services specified in subdivision (b), the fees and fines collected shall be transmitted from the special account in the county treasury monthly to the Controller for deposit in the Trial Court Trust Fund.

(d) (1) Until July 1, 2005, each superior court and each county shall maintain the distribution of revenue from the fees specified in subdivisions (a) and (b) that is in effect pursuant to an agreement or practice that is in place at the time this section takes effect.

(2) In order to ensure that expenditures from revenue sharing agreements are consistent with Judicial Council fiscal and budgetary policy, the Administrative Director of the Courts shall review and approve all distribution of revenue agreements that are negotiated after the effective date of this section. If approval of an agreement negotiated after the effective date of this section is not granted, the director shall advise the court and county of the reasons for not granting approval and suggest

modifications that will make the agreement consistent with the Judicial Council fiscal and budgetary policies.

(e) The Administrative Office of the Courts and the California State Association of Counties shall jointly determine and administer on or after January 1, 2004, and on or after January 1, 2005, all of the following:

(1) The amount of revenue that was deposited in the Trial Court Trust Fund pursuant to subdivisions (a) and (b) during the calendar year that just ended.

(2) The difference between the amount specified in subdivision (c) and thirty-one million dollars (\$31,000,000).

(3) A county-by-county transfer of the amount specified in paragraph (2) to the Trial Court Trust Fund in two equal installments, on February 15 and May 15, in each fiscal year.

(4) Any payment to correct for an overpayment or underpayment made for the 2003–04 fiscal year, shall be paid to the appropriate party on or before September 15, 2004. Any payment to correct for an overpayment or underpayment made for the 2004–05 fiscal year, shall be paid to the appropriate party on or before November 15, 2005.

(5) The sum of the amounts specified in paragraphs (1) and (2) may not exceed thirty-one million dollars (\$31,000,000), and shall be deposited in the Trial Court Trust Fund.

(6) Counties that have not paid amounts billed under this section for the 2003–04 or 2004–05 fiscal year shall pay the amounts still owing to the Trial Court Trust Fund on or before September 1, 2005. If payment is not received on or before September 1, 2005, it shall be considered delinquent and subject to the penalties set forth in Section 68085.

(7) Penalty amounts calculated under paragraph (6) shall be paid by the county or the city and county to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated.

(f) Each superior court and each county shall provide detailed quarterly reports of the revenues generated by the fees and fines specified in subdivisions (a) and (b), Sections 177.5 and 1218 of the Code of Civil Procedure, and Sections 166 and 1214.1 of the Penal Code. The reports shall include the total amount collected and retained by the court or county and the existing distribution of those fees.

(g) No other transfers of the fees and fines specified in subdivisions (a) and (b), Sections 177.5 and 1218 of the Code of Civil Procedure, and Sections 166 and 1214.1 of the Penal Code shall take effect prior to July 1, 2005.

(h) This section does not apply to fees and fines specified in subdivisions (a), (b), and (f) that are collected on or after July 1, 2005.

(i) Nothing in this section shall be deemed to alter or make void the shift of responsibility for court funding from the counties to the state.

SEC. 44. Section 68085.6 is added to the Government Code, to read:

68085.6. (a) Commencing July 1, 2005, the counties' obligation to remit to the Trial Court Trust Fund each fiscal year the difference between thirty-one million dollars (\$31,000,000) and the amount remitted to the

Trial Court Trust Fund under Section 68085.5 shall expire. The counties thereafter shall be obligated to remit to the Trial Court Trust Fund the following amounts:

- (1) In the 2005–06 fiscal year, twenty million dollars (\$20,000,000).
- (2) In the 2006–07 fiscal year, fifteen million dollars (\$15,000,000).
- (3) In the 2007–08 fiscal year, ten million dollars (\$10,000,000).
- (4) In the 2008–09 fiscal year, five million dollars (\$5,000,000).
- (5) In the 2009–10 fiscal year and thereafter, the obligation shall expire.

(b) If the amounts remitted annually to the Trial Court Trust Fund, pursuant to subdivision (a) of this section, and the amendments made to Section 68085.5 of the Government Code and Section 1214.1 of the Penal Code by the act that added this section, are less than the differences between thirty-one million dollars (\$31,000,000) and the amounts specified in paragraphs (1) to (5), inclusive, of subdivision (a), no additional state funds shall be appropriated to the courts to mitigate these revenue shortfalls.

(c) In the 2005–06 fiscal year, the amount described in paragraph (1) of subdivision (a) shall be remitted to the Trial Court Trust Fund in two equal installments on February 15, 2006, and May 15, 2006. In each subsequent fiscal year, the amount described in subdivision (a) shall be remitted to the Trial Court Trust Fund in four equal installments, due on October 1, January 1, April 1, and May 1. Each county shall pay the installments from all available resources, including the county's general fund.

(d) Any payment to correct for an overpayment or underpayment made in any fiscal year shall be paid to the appropriate party on or before November 15 of the subsequent fiscal year.

(e) All moneys required to be paid to the Trial Court Trust Fund under this section shall be considered delinquent if not paid by the dates specified in this section, and shall be subject to the penalties set forth in Section 68085.

(f) Penalty amounts calculated under subdivision (e) shall be paid by the county or the city and county to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated.

(g) The portion of the amount in subdivision (a) to be paid by each county shall be determined by the Administrative Office of the Courts (AOC) and the California State Association of Counties (CSAC) with the following conditions:

(1) Any county that did not receive a reduction of county remittances for support of trial courts to compensate for loss of civil assessment revenue under Section 68085.7 shall not be required to make any payments under this section.

(2) No county's payment in any year, commencing in the 2005–06 fiscal year, shall be greater than 90 percent of the annual payment that county was required to pay toward the thirty-one million dollars (\$31,000,000) in subdivision (e) of Section 68085.5 as it read on January 1, 2004.

(3) The AOC and the CSAC shall determine the portion of the amounts in subdivision (a) to be paid by each county on or before October 31, 2005. If the AOC and the CSAC do not agree on the portions, they may request a mutually agreed-upon third party to arbitrate and determine the portion for each county. The portions shall be determined on or before December 31, 2005.

(h) On or before June 30, 2006, the AOC and the CSAC shall agree upon a methodology to determine whether the growth in revenue to the Trial Court Trust Fund created by the transfer of revenues under this section and Section 68085.7 has significantly exceeded projected levels so that a reduction in the counties' obligation under paragraph (4) of subdivision (a) should be recommended to the Legislature.

(i) Nothing in this section shall be deemed to alter or make void the shift of responsibility for court funding from the counties to the state.

SEC. 45. Section 68085.7 is added to the Government Code, to read:

68085.7. (a) Notwithstanding any other provision of law, Section 68085.5 does not apply to the following fees and fines collected on or after July 1, 2005: any fees and fines specified in subdivision (a) or (b) of Section 68085.5, Section 177.5 or 1218 of the Code of Civil Procedure, or Section 166 or 1214.1 of the Penal Code. Commencing July 1, 2005, these fees and fines shall be distributed as provided by Section 68085 or, if no provision is made in Section 68085, the section that provides for the fee or fine.

(b) Commencing July 1, 2005, in each fiscal year, the amount of each county's annual remittance to the state Trial Court Trust Fund under paragraph (2) of subdivision (b) of Section 77201.1 shall be reduced by the amount that the county received from civil assessments under Section 1214.1 of the Penal Code, after deducting the cost of collecting those civil assessments as defined in subdivision (f), in the 2003–04 fiscal year. The reduction provided by this subdivision for the 2005–06 fiscal year shall apply only to a county that transmits to the Trial Court Trust Fund any money received by the county between July 1, 2005 and the effective date of this section that would have been transmitted to the Trial Court Trust Fund pursuant to subdivision (a), and the amendments to Section 68085 of this code and Section 1214.1 of the Penal Code, if this section had been effective on July 1, 2005.

(c) The amount of the reduction under this section for each county shall be determined by agreement between the Administrative Office of the Courts (AOC) and the California State Association of Counties (CSAC). Each county and each superior court shall exchange relevant factual information to determine and jointly report to the AOC and the CSAC the total amount the county received from civil assessments for the 2003–04 fiscal year, both gross and net after costs, on or before August 31, 2005. If the court and the county do not agree on the amount, the court and the county shall each report the amount each believes is correct to the AOC and the CSAC on or before August 31, 2005.

(d) The AOC and the CSAC shall agree on the amount of the reduction for each county under this section on or before October 31, 2005. If a court or county disagrees with the amount agreed to by the AOC and the CSAC for that county, the court or county may appeal to the AOC and the CSAC for an adjustment. The AOC and the CSAC shall determine whether to make any requested adjustment.

(e) If the AOC and the CSAC do not agree on the amount of the reduction for a county, they may request a mutually agreed-upon third party to arbitrate and determine the amount. The amount shall be determined on or before December 31, 2005.

(f) Guidelines of the Controller shall apply to the determination of revenues from civil assessments under Section 1214.1 of the Penal Code. The costs of collecting civil assessments applied in determining net civil assessments are only those costs used to collect those civil assessments.

SEC. 46. Section 68085.8 is added to the Government Code, to read:

68085.8. (a) On or before December 31, 2005, the Administrative Office of the Courts (AOC) and the California State Association of Counties (CSAC) shall complete an initial review of the impact upon individual counties and courts of the changes in revenue distributions and payment obligations under Sections 68085.6, and 68085.7 for the purpose of correcting inequities that may result from these changes. The AOC and CSAC shall work with counties and courts to develop and implement procedures to correct inequities resulting from either the implementation of these changes or any changes in the provision of services or benefits under any of the following circumstances:

(1) Institution of new civil assessment programs after the 2003–04 fiscal year.

(2) Substantial impacts on memoranda of understanding or other agreements that are existing or pending as of June 10, 2005, or practices in effect at that time, which agreements and practices contemplate the use of revenues transferred under the act that added this section.

(3) The demonstration by clear evidence that the information used as the basis for determining a reduction under Section 68085.7, or for determining a county's obligation under Section 68085.6, results in an inequity, and that the inequity imposes an undue hardship on the court or county.

(b) Inequities may be corrected by one or more of the following mechanisms:

(1) Adjustment of the reduction under subdivision (b) of Section 68085.7.

(2) Adjustment of the amount of a county's obligation under subdivision (a) of Section 68085.6.

(3) Adjustment of allocations to a trial court to the Trial Court Trust Fund under subdivision (a) of Section 68085.

(4) If necessary, with agreement of the court and county, adjustments of the rights and duties of the parties under memoranda of understanding or other agreements or practices.



The adjustments under paragraphs (1) to (4), inclusive, may be temporary or permanent. Adjustments under this section shall be made only with the mutual agreement of the AOC and CSAC.

SEC. 47. Section 69926.5 of the Government Code is amended to read:

69926.5. (a) To ensure and maintain adequate funding for court security, a surcharge of twenty dollars (\$20) is added to the total fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056.

(b) In addition to the surcharge in subdivision (a), a surcharge of twenty dollars (\$20) is added to the total filing fee collected in a case pursuant to Section 26820.4, 26826, or 26827, a surcharge of twenty dollars (\$20) is added to the total filing fee collected in a limited civil case pursuant to Section 72055 or 72056 where the amount demanded, excluding attorney's fees and costs, is in excess of ten thousand dollars (\$10,000), and a surcharge of ten dollars (\$10) is added to the total filing fee collected in a limited civil case pursuant to Section 72055 or 72056 where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000), or less. The surcharges in this subdivision shall be collected in cases filed from January 1, 2004, to June 30, 2006, inclusive. The purpose of this surcharge is to stabilize funding for court security at the current level and is not intended to increase the funding available for court security in the 2004-05 and 2005-06 fiscal years. This subdivision shall become inoperative on July 1, 2006, or upon the enactment of a uniform filing fee, whichever is earlier.

(c) Notwithstanding any other provision of law, the surcharges collected pursuant to subdivisions (a) and (b) shall all be deposited in a special account in the county treasury, and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

SEC. 48. Section 71386 of the Government Code is amended to read:

71386. (a) Each superior court shall adopt a written policy, consistent with rules adopted by the Judicial Council, governing the acceptance of checks and money orders in payment of any fees, fines, or bail deposits. The policy shall permit clerks to accept checks and money orders under conditions that tend to assure their validity.

(b) A court shall accept a personal check, bank cashier's check, or money order for payment of any fee or fine, or for a deposit of bail for any offense that is not declared to be a felony, provided the check or money order meets the criteria established in subdivision (a). However, no court shall be required to accept a check in excess of three hundred dollars (\$300) from a defendant in custody as a deposit of bail for any alleged violation of the Penal Code.

(c) The acceptance of a check pursuant to this section constitutes payment of the obligation owed to the payee public agency to the extent of the amount of the check as of the date of acceptance when, but not before, the check is duly paid.

(d) If any check offered in payment pursuant to this section is returned to the payee without payment, a reasonable charge for the returned check not to exceed the actual costs incurred may be imposed to recover the

processing and collection costs. This charge may be added to, and become part of, any underlying obligation other than an obligation that constitutes a lien on real property, or a different method of payment for that payment and future payments by that person may be prescribed. If the costs are incurred by the county, the charges imposed by a court for a returned check shall be retained by the treasurer of the county and be deposited in the county general fund. If the costs are incurred by the court, the charges imposed for a returned check shall be distributed to the court.

SEC. 49. Section 50517.10 of the Health and Safety Code is amended to read:

50517.10. (a) The department shall use the funds allocated pursuant to clause (ii) of subparagraph (A) of paragraph (4) of subdivision (a) of Section 53533 to fund a program that uses innovative, cost-effective mechanisms to provide migrant farmworkers with affordable, durable, low-maintenance housing options. It is the intent of the Legislature that the department conduct outreach and provide technical assistance to facilitate expedient use of these funds. For the purpose of this subdivision, the department may assist housing projects that meet the following criteria:

(1) Are located on sites that permit occupancy by agricultural employees pursuant to Section 17021.5 or 17021.6.

(2) Consist of alternative housing types that meet state and federal standards for livability and durability, including manufactured housing, factory-built housing, other forms of prefabricated housing, motel conversions, and dormitory- and barracks-style housing in which residents share common cooking and sanitary facilities.

(3) Provide affordable replacement housing alternatives for migrant farmworkers who face displacement from existing labor camps, mobilehome parks, or other housing because of the existence of conditions that are a danger to the health and safety of the residents due to overcrowding, lack of adequate infrastructure, or substantial violations of health and safety standards or because of the retirement or fallowing of agricultural land.

(4) Consist of a migrant housing center in which migrant farmworkers are provided with job, child care, educational, medical, and other social service referrals.

(5) Consist of any other type of migrant housing permitted by this chapter.

(6) Consist of new migrant farmworker housing centers or other new migrant housing authorized by Chapter 8.5 (commencing with Section 50710). The department shall, to the maximum extent possible, develop new migrant housing within developed areas of agricultural communities and near essential social services such as schools, transportation, and health care.

(b) In providing financing for purposes of subdivision (a), the department may do any of the following:

(1) Make no-interest deferred loans to agricultural employers who assume responsibility for paying or securing the operating costs of migrant

housing assisted pursuant to this section, with payment deferred until the housing is no longer used to house migrant farmworkers for at least 90 days each year or 20 years, whichever is less, with up to one-half of the loan being forgivable after 20 years and a proportionately lower percentage of the loan being forgivable for periods of occupancy of 10 years to 20 years.

(2) Make loans or grants to local agencies, nonprofit entities, or limited partnerships or to joint ventures of agricultural employers and local agencies or nonprofit entities.

(3) Permit the housing to be used by persons other than migrant farmworkers, when not in use by migrant farmworkers.

(4) Waive the requirement that the applicant make a matching contribution.

(5) Permit the applicant to deposit funds in a reserve account to defray unanticipated cost increases or revenue shortfalls to the extent necessary to maintain the fiscal integrity of the housing or to cure or avoid a default on any loan or other obligation.

(6) Permit as eligible costs, the cost of development, redevelopment, acquisition, rehabilitation, land purchase, options to buy land, professional services, permit and application fees and bonding, site preparation, water, sewer, and associated infrastructure development, improvements to common areas, reasonable consulting fees, permanent financing, and reserves.

(7) Establish maximum rent levels by type of housing and an annual rent adjustment formula using an inflation index adopted by the department.

(c) In addition to the purposes specified in subdivision (a) of Section 50517.5, the department may make grants and loans under the Joe Serna, Jr. Farmworker Housing Grant Program to local public entities and nonprofit corporations in order to establish capitalized operating reserves for short-term occupancy housing for migrant farmworker households, purchase land for, and construct, housing structures for short-term occupancy by migrant farmworker households, lease or purchase existing structures for short-term occupancy by migrant farmworker households, and, where the department determines that extraordinary or emergency circumstances exist, directly rent or lease housing for short-term occupancy by migrant farmworker households.

SEC. 50. Section 50601 of the Health and Safety Code is amended to read:

50601. (a) The Preservation Opportunity Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department without regard to fiscal years for the purposes of this chapter and for costs incurred in administering the program. The combined administrative expenses of the department and the agency shall not exceed 5 percent of the funds deposited in the fund for the purposes of this chapter.

(b) The following shall be paid into the fund:

(1) Any money appropriated and made available by the Legislature for purposes of the fund.

(2) Any money that the department or the agency receives in repayment of loans from the fund, including interest therefrom, except as provided in subdivision (f) of Section 50603.

(3) Any other money that may be made available to the department for the purposes of this chapter from any other source.

SEC. 51. Section 50603 of the Health and Safety Code is amended to read:

50603. (a) There is hereby created the Preservation Opportunity Program.

(b) The department shall contract with the agency for the administration of this section, and the agency shall establish the terms upon which loans may be made consistent with this section.

(c) A project shall meet all of the following requirements to be eligible for a loan:

(1) It shall be an assisted housing development.

(2) The borrower shall, in conjunction with this loan, receive a loan from the agency's Preservation Acquisition Program for the acquisition of this project.

(3) The borrower shall agree to obligate itself and any successors in interest to maintain the affordability of the assisted housing development for households of very low, low, or moderate income for a term of not less than 30 years. To the extent economically feasible, the development shall be continuously occupied in the approximate percentages that those households have occupied that development as of the date of acquisition by the purchaser or the approximate percentages specified in existing federal, state, or locally imposed use restrictions, whichever is higher. This obligation shall be recorded at the close of escrow in the office of the county recorder of the county in which the development is located. In addition, the regulatory agreement shall contain provisions requiring the renewal of rental subsidies, if they are available and are provided at a level sufficient to maintain the project's fiscal viability. Nothing in this paragraph shall be construed to require the future income restriction of units unrestricted under the new regulatory agreement required by this subdivision.

(d) Projects that meet the requirements of subdivision (c) shall be evaluated for funding based on their ability to address the following priorities:

(1) First priority shall be given to projects whose rent restrictions have expired or are eligible to expire within two years of application for a loan under this program.

(2) Second priority shall be given to projects with rent restrictions expiring within five years.

(e) The loans for assisted housing developments under this section shall include the following terms:

(1) The agency shall determine the term of the loan. A loan may not exceed a term of two years, unless the agency determines, in its discretion, that a longer term is required to do both of the following:

- (A) To preserve the affordability of a project.
- (B) To ensure the financial viability of a project.

(2) The rate of interest shall not exceed 3 percent per annum on the unpaid balance for that portion of the loan made with General Fund or general obligation bond moneys. The rate of interest for portions of the loan made with non-General Fund, nongeneral obligation bond moneys shall be established by the agency.

(3) Simple interest shall accrue but be deferred until loan maturity or transfer of the property.

(4) Any other terms and provisions that the agency may deem proper.

(f) Notwithstanding paragraph (2) of subdivision (b) of Section 50601, with the exception of five million dollars (\$5,000,000), all money that the agency receives in repayment of loans made with funds from the Housing and Emergency Shelter Trust Fund Act of 2002 shall be deposited into the Housing Rehabilitation Loan Fund created by Section 50661 for use in the Multifamily Housing Program. The five million dollars (\$5,000,000) remaining in the Preservation Opportunity Fund and subsequent interest payments on loans made from this five million dollars (\$5,000,000) shall be made available for the purposes of the Preservation Opportunity Program through at least December 31, 2008, at which time the agency may, based on an analysis of need, either continue to make these funds available for the purposes of the Preservation Opportunity Program or transfer all remaining funds to the Housing Rehabilitation Loan Fund for use in the Multifamily Housing Program.

SEC. 52. Section 50710.1 of the Health and Safety Code is amended to read:

50710.1. (a) If all the development costs of any migrant farm labor center assisted pursuant to this chapter are provided by federal, state, or local grants, and if inadequate funds are available from any federal, state, or local service to write-down operating costs, the department may approve rents for that center that are in excess of rents charged in other centers assisted by the Office of Migrant Services. However, notwithstanding any other provision of law, commencing with the 2006 growing season, the department shall not increase rents for residents of any facility assisted by the Office of Migrant Services to a level that exceeds 30 percent of the average annualized household incomes of residents of the facility without specific legislative authorization. Prior to approving these rents, the department shall consider the adequacy of evidence presented by the entity operating the center that the rents reimburse actual, reasonable, and necessary costs of operation.

(b) At the end of each fiscal year, any entity operating a migrant farm labor center pursuant to this chapter may establish a reserve account comprised of the excess funds provided through the annual operating contract received from the department if the department certifies there is

no need to address reasonable general maintenance requirements or repairs, rehabilitation, and replacement needs of the requesting migrant farm labor center which affect the immediate health and safety of residents. The cumulative balance of the reserve account shall not exceed 10 percent of the annual operating funds annually committed to the entity by the department. Funds in the reserve account shall be used only for capital improvements such as replacing or repairing structural elements, furniture, fixtures, or equipment of the migrant farm labor center, the replacement or repair of which are reasonably required to preserve the migrant farm labor center. Withdrawals from the reserve account shall be made only upon the written approval of the department of the amount and nature of expenditures.

(c) A migrant farm labor center governed by this chapter may be operated for an extended period prior to or beyond the standard 180-day period after approval by the department, provided that all of the following conditions are satisfied:

(1) No additional subsidies provided by the department are used for the operation or administration of the migrant farm center during the extended occupancy period except to the extent that state funds are appropriated or authorized for the purpose of funding all or part of the cost of subsidizing extended occupancy periods during the first 14 days only.

(2) Rents are not to be increased above the rents charged during the standard 180-day occupancy period unless the department finds that an increase is necessary to cover the difference between reasonable operating costs necessary to keep the center open during the extended occupancy period and the amount of state funds available pursuant to paragraph (1) and any contributions from agricultural employers or other federal, local, or private sources. These contributions shall not be used to reduce the amount of state funds that otherwise would be made available to the center to subsidize rents during an extended occupancy period.

(3) In no event shall the rent during the extended occupancy period exceed the average daily operating cost of the center, less any subsidy funds available pursuant to paragraph (1) or (2). With respect to an extended occupancy beyond the standard 180-day period, households representing at least 25 percent of the units in the center shall have indicated their desire and intention to remain in residency by signing a petition to the local entity to keep the center open for an extended period at rents that are the same or higher than rents during the regular period of occupancy. Each household shall receive a clear bilingual notice describing the extended occupancy options attached to the lease.

The Legislature finds and declares that because the number of residents may be substantially reduced during the extended occupancy period, a rent increase may be necessary to cover operating costs. It is the intent of the Legislature that the public sector, private sector, and farmworkers should each play an important role in ensuring the financial viability of this important source of needed housing.

(4) An extended occupancy period is requested by an entity operating the migrant farm labor center and received by the department no earlier than 30 days and no later than 15 days prior to the center's scheduled opening or closing date. The department shall notify the entity and petitioning residents of the final decision no later than seven days prior to the center's scheduled opening or closing date. During the extended occupancy period, occupancy shall be limited to migrant farmworkers and their families who resided or intended to reside at a migrant center during the regular period of occupancy.

(5) Before approving or denying an early opening or an extension and establishing the rents for the extended occupancy period, both of which shall be within the sole discretion of the department, the department shall take into consideration all of the following factors:

(A) The structural and physical condition of the center, including water and sewer pond capacity and the capacity and willingness of the local entity to operate the center during the extended occupancy period.

(B) Whether local approvals are required, and whether there are competing demands for the use of the center's facilities.

(C) Whether there is adequate documentation that there is a need for residents of the migrant center to continue work in the area, as confirmed by the local entity.

(D) The climate during the extended occupancy period.

(E) The amount of subsidy funds available that can be allocated to each center to subsidize rents below the operating costs and the cost of operating each center during the extended occupancy period.

(F) The extended occupancy period is deemed necessary for the health and safety of the migrant farmworkers and their families.

(G) Other relevant factors affecting the migrant farmworkers and their families and the operation of the centers.

(6) The rents collected during the extended occupancy period shall be remitted to the department. However, based on financial records to the satisfaction of the department, the department may reduce the amount to be remitted by an amount it determines the local entity has expended during the extended occupancy period that is not being reimbursed by department funds.

(7) The occupancy during the extended occupancy period represents a new tenancy and is not subject to existing and statutory and regulatory limitations governing rents. Prior to the beginning of the extended occupancy period, residents shall be provided at least two days' advance written notice of any rent increase and of the expected length of the extended occupancy period, including the scheduled date of the beginning of the extended occupancy period and closure of the center. Prior to being eligible for residency during the extended occupancy period, residents shall sign rental documents deemed necessary by the department.

(d) The Legislature finds and declares that variable annual climates and changing agricultural techniques create an inability to accurately predict the end of a harvest season for the purposes of housing migrant

farmworkers and their families. Because of these factors, in any part of this state, and in any specific year, one or more migrant farmworker housing centers governed by this chapter need to open early or remain open for up to two additional weeks to allow the residents to provide critical assistance to growers in harvesting crops while also fulfilling work expectations that encouraged them to migrate to the areas of the centers. In addition, if the centers close prematurely or open late, the migrant farmworkers often must remain or reside in the areas to work for up to two weeks. During this time they will not be able to obtain decent, safe, and affordable housing and the health and safety of their families and the surrounding community will be threatened.

The Legislature therefore finds and declares that, for the purposes of any public or private right, obligation, or authorization related to the use of property and improvements thereon as a 180-day migrant center, an extended use of any housing center governed by this chapter pursuant to this section is deemed to be the same as the 180-day use generally authorized by this chapter.

(e) Because of the presumed income levels of the occupants of migrant farm labor centers, an entity operating a migrant farm labor center shall be deemed eligible for the California Alternative Rates for Energy program established pursuant to Sections 382 and 739.1 of the Public Utilities Code. Any savings from a reduction in energy rates shall be passed on to the occupants of the migrant farm labor center.

SEC. 53. Section 53533 of the Health and Safety Code is amended to read:

53533. (a) Money deposited in the fund from the sale of bonds pursuant to this part shall be allocated for expenditure in accordance with the following schedule:

(1) Nine hundred ten million dollars (\$910,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, except for the following:

(A) Fifty million dollars (\$50,000,000) shall be transferred to the Preservation Opportunity Fund and, notwithstanding Section 13340 of the Government Code, is continuously appropriated without regard to fiscal years for the preservation of at-risk housing pursuant to Chapter 5 (commencing with Section 50600) of Part 2.

(B) Twenty million dollars (\$20,000,000) shall be used for nonresidential space for supportive services, including, but not limited to, job training, health services, and child care within, or immediately proximate to, projects to be funded under the Multifamily Housing Program. This funding shall be in addition to any applicable per-unit or project loan limits and may be in the form of a grant. Service providers shall ensure that services are available to project residents on a priority basis over the general public.

(C) Twenty-five million dollars (\$25,000,000) shall be used for matching grants to local housing trust funds pursuant to Section 50843.



(D) Fifteen million dollars (\$15,000,000) shall be used for student housing through the Multifamily Housing Program, subject to the following provisions:

(i) The department shall give first priority for projects on land owned by a University of California or California State University campus. Second priority shall be given to projects located within one mile of a University of California or California State University campus that is suffering from a severe shortage of housing and limited availability of developable land as determined by the department. Those determinations shall be set forth in the Notice of Funding Availability and shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(ii) All funds shall be matched on a one-to-one basis from private sources or by the University of California or California State University. For the purposes of this subparagraph, “University of California” includes the Hastings College of the Law.

(iii) Occupancy for the units shall be restricted to students enrolled on a full-time basis in the University of California or California State University.

(iv) Income eligibility pursuant to the Multifamily Housing Program shall be established by verification of the combined income of the student and his or her family.

(v) Any funds not used for this purpose within 24 months of the date that the funds are made available shall be awarded pursuant to subdivision (a) for the Downtown Rebound Program as set forth in paragraph (1) of subdivision (c) of Section 50898.2.

(E) Any funds not encumbered for the purposes set forth in this paragraph, except subparagraph (D), within 30 months of availability shall revert to the Housing Rehabilitation Loan Fund created by Section 50661 for general use in the Multifamily Housing Program.

(2) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be expended for the Emergency Housing and Assistance Program authorized by Chapter 11.5 (commencing with Section 50800 of Part 2).

(3) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for supportive housing projects under the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to serve individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness.

(4) Two hundred million dollars (\$200,000,000) shall be transferred to the Joe Serna, Jr. Farmworker Housing Grant Fund to be expended for farmworker housing programs authorized by Chapter 3.2 (commencing with Section 50517.5) of Part 2, except for the following:

(A) Twenty-five million dollars (\$25,000,000) shall be used for projects that serve migratory agricultural workers as defined in subdivision (i) of Section 7602 of Title 25 of the California Code of Regulations. If,

after July 1, 2003, funds remain after the approval of all feasible applications, the department shall be deemed an eligible recipient for the purposes of reconstructing migrant centers operated through the Office of Migrant Services pursuant to Chapter 8.5 (commencing with Section 50710) that would otherwise be scheduled for closure due to health or safety considerations or are in need of significant repairs to ensure the health and safety of the residents. Of the dollars allocated by this subparagraph, the department shall receive fifteen million dollars (\$15,000,000) for these purposes subject to the following conditions and requirements:

(i) The amount available to the department as a recipient shall be limited to ten million seven hundred thousand dollars (\$10,700,000) prior to September 1, 2006. The department may receive up to four million three hundred thousand dollars (\$4,300,000) in additional funds after that date and prior to July 1, 2007, to the extent that unencumbered funds are available.

(ii) The department shall make at least eight million one hundred fifty-nine thousand dollars (\$8,159,000) available for flexible loans and grants for projects that serve migratory agricultural workers pursuant to subdivision (a) of Section 50517.10. These funds shall be available for encumbrance until September 1, 2006.

(iii) Any funds allocated by this subparagraph remaining unencumbered on July 1, 2007, shall revert for general use in the Joe Serna, Jr. Farmworker Housing Grant Program.

(B) Twenty million dollars (\$20,000,000) shall be used for developments that also provide health services to the residents. Recipients of these funds shall be required to provide ongoing monitoring of funded developments to ensure compliance with the requirements of the Joe Serna, Jr. Farmworker Housing Grant Program. Projects receiving funds through this allocation shall be ineligible for funding through the Joe Serna, Jr. Farmworker Housing Grant Program.

(C) Except as provided in subparagraph (A) funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the Joe Serna, Jr. Farmworker Housing Grant Program.

(5) Two hundred five million dollars (\$205,000,000) shall be transferred to the Self-Help Housing Fund. Notwithstanding Section 13340 of the Government Code and Section 50697.1, these funds are hereby continuously appropriated without regard to fiscal years to the department to be expended for the purposes of the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, except for the following:

(A) Seventy-five million dollars (\$75,000,000) shall be transferred to the Building Equity and Growth in Neighborhoods Fund to be used for the Building Equity and Growth in Neighborhoods (BEGIN) Program pursuant to Chapter 4.5 (commencing with Section 50860) of Part 1.

(B) Five million dollars (\$5,000,000) shall be used to provide grants to cities, counties, cities and counties, and nonprofit organizations to provide grants for lower income tenants with disabilities for the purpose of making exterior modifications to rental housing in order to make that housing accessible to persons with disabilities. For the purposes of this subparagraph, “exterior modifications” includes modifications that are made to entryways or to common areas of the structure or property. The program provided for under this subparagraph shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(C) Ten million dollars (\$10,000,000) shall be expended for construction management under the California Self-Help Housing Program pursuant to subdivision (b) of Section 50696.

(D) Any funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the CalHome Program.

(6) Five million dollars (\$5,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for capital expenditures in support of local code enforcement and compliance programs. This allocation shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code. If the moneys allocated pursuant to this paragraph are not expended within three years after being transferred, the department may, in its discretion, transfer the moneys to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program.

(7) Two hundred ninety million dollars (\$290,000,000) shall be transferred to the Self-Help Housing Fund. Notwithstanding Section 50697.1, these funds are hereby continuously appropriated to the agency to be expended for the purposes of the California Homebuyer’s Downpayment Assistance Program authorized by Chapter 11 (commencing with Section 51500) of Part 3, except for the following:

(A) Fifty million dollars (\$50,000,000) shall be transferred to the School Facilities Fee Assistance Fund as provided by subdivision (a) of Section 51453 to be used for the Homebuyer Down Payment Assistance Program of 2002 established by Section 51451.5.

(B) Eighty-five million dollars (\$85,000,000) shall be transferred to the California Housing Loan Insurance Fund to be used for purposes of Part 4 (commencing with Section 51600). The agency may transfer these moneys as often as quarterly in amounts that shall not exceed the dollar amount of new insurance written by the agency during the preceding quarter for loans for the purchase of homes made to owner-occupant borrowers with incomes not exceeding 120 percent of the area median income, divided by the risk-to-capital ratio required for the maintenance of satisfactory credit ratings from nationally recognized credit rating services.

(C) (i) Twelve million five hundred thousand dollars (\$12,500,000) shall be reserved for downpayment assistance to low-income first-time home buyers who, as documented to the agency by a nonprofit

organization certified and funded to provide home ownership counseling by a federally funded national nonprofit corporation, are purchasing a residence in a community revitalization area targeted by the nonprofit organization and who has received home ownership counseling from the nonprofit organization. Community revitalization areas shall be limited to targeted neighborhoods identified by qualified nonprofit organizations as those neighborhoods in need of economic stimulation, renovation, and rehabilitation through efforts that include increased home ownership opportunities for low-income families.

(ii) Effective January 1, 2004, 50 percent of the funds available pursuant to clause (i) shall be available for downpayment assistance in an amount not to exceed 6 percent of the home sales price.

(iii) After 12 months of availability, if more than 50 percent of the funds set aside pursuant to clause (ii) have been encumbered, the agency shall discontinue that program and make all remaining funds available for downpayment assistance pursuant to clause (i). If, however, less than 50 percent of the funds allocated pursuant to clause (ii) are encumbered after that 12-month period, the agency may, at its sole discretion, either make all remaining funds provided pursuant to clause (i) available for the purpose of clause (ii), or may continue to implement clause (ii) until all of the funds allocated for that purpose as of January 1, 2004, have been encumbered.

(D) Twenty-five million dollars (\$25,000,000) shall be used for downpayment assistance pursuant to Section 51505. After 18 months of availability, if the agency determines that the funds set aside pursuant to this section will not be utilized for purposes of Section 51505, these funds shall be available for the general use of the agency for the purposes of the California Homebuyer's Downpayment Assistance Program, but may also continue to be available for the purposes of Section 51505.

(E) Funds not utilized for the purposes set forth in subparagraphs (B) and (C) within 30 months shall revert for general use in the California Homebuyer's Downpayment Assistance Program.

(8) One hundred million dollars (\$100,000,000) shall be transferred to the Jobs Housing Improvement Account to be expended as capital grants to local governments for increasing housing pursuant to enabling legislation. If the enabling legislation fails to become law in the 2001–02 Regular Session of the Legislature, the specified allocation for this program shall be void and the funds shall revert for general use in the Multifamily Housing Program as specified in paragraph (1) of subdivision (a).

(b) No portion of the money allocated pursuant to this section may be expended for project operating costs, except that this section does not preclude expenditures for operating costs from reserves required to be maintained by or on behalf of the project sponsor.

(c) The Legislature may, from time to time, amend the provisions of law related to programs to which funds are, or have been, allocated pursuant to this section for the purpose of improving the efficiency and

effectiveness of the program, or for the purpose of furthering the goals of the program.

(d) The Bureau of State Audits shall conduct periodic audits to ensure that bond proceeds are awarded in a timely fashion and in a manner consistent with the requirements of this part, and that awardees of bond proceeds are using funds in compliance with applicable provisions of this part.

SEC. 54. Section 96.7 of the Labor Code is amended to read:

96.7. The Labor Commissioner, after investigation and upon determination that wages or monetary benefits are due and unpaid to any worker in the State of California, may collect such wages or benefits on behalf of the worker without assignment of such wages or benefits to the commissioner.

(a) The Labor Commissioner shall act as trustee of all such collected unpaid wages or benefits, and shall deposit such collected moneys in the Industrial Relations Unpaid Wage Fund.

(b) The Labor Commissioner shall make a diligent search to locate any worker for whom the Labor Commissioner has collected unpaid wages or benefits.

(c) All wages or benefits collected under this section shall be remitted to the worker, his lawful representative, or to any trust or custodial fund established under a plan to provide health and welfare, pension, vacation, retirement, or similar benefits from the Industrial Relations Unpaid Wage Fund.

(d) Any unpaid wages or benefits collected by the Labor Commissioner pursuant to this section shall be retained in the Industrial Relations Unpaid Wage Fund until remitted pursuant to subdivision (c), or until deposited in the General Fund.

(e) The Controller shall, at the end of each fiscal year, transfer to the General Fund the unencumbered balance, less six months of expenditures as determined by the Director of Finance, in the Industrial Relations Unpaid Wage Fund.

(f) All wages or benefits collected under this section which cannot be remitted from the Industrial Relations Unpaid Wage Fund pursuant to subdivision (c) because money has been transmitted to the General Fund shall be paid out of the General Fund from funds appropriated for that purpose.

SEC. 55. Section 999.7 of the Military and Veterans Code is amended to read:

999.7. (a) (1) On January 1 of each year, each awarding department shall report to the Governor, the Legislature, the Department of General Services, and the Department of Veterans Affairs on the level of participation by disabled veteran business enterprises in contracts identified in this article for the previous fiscal year.

(2) If the awarding department has not met the established goals for that year, the awarding department shall report to the Legislature, the Department of General Services, and the Department of Veterans Affairs

the reasons for the awarding department's inability to achieve the goals and shall identify steps it shall take in an effort to achieve the goals.

(b) On April 1 of each year, the Department of General Services shall prepare for the Governor, the Legislature, and the Department of Veterans Affairs a statewide statistical summary detailing each awarding department's goal achievement and a statewide total of those goals.

(c) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 56. Section 1401 of the Military and Veterans Code is amended to read:

1401. (a) For the purposes of Section 1400, the Shasta County Board of Supervisors may join with other northern California counties including, but not limited to, the Counties of Colusa, Del Norte, Glenn, Humboldt, Lassen, Mendocino, Modoc, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity, to design, develop, and construct the cemetery.

(b) All moneys received for the design, development, and construction of the cemetery shall be deposited in the Northern California Veterans Cemetery Master Development Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, money in the fund is continuously appropriated to the department for the purpose of designing, developing, constructing, and equipping the cemetery. Moneys appropriated by the Legislature for these purposes shall also be deposited in the fund.

(c) (1) All moneys received for the maintenance of the cemetery, including moneys received pursuant to subdivision (b) of Section 1400, shall be deposited in the Northern California Veterans Cemetery Perpetual Maintenance Fund, which is hereby created in the State Treasury. Any state funding for the annual maintenance of the cemetery shall be appropriated by the Legislature in the annual Budget Act.

(2) It is estimated that, after the construction of the cemetery, four hundred fifty thousand dollars (\$450,000) should be appropriated annually by the state or the participating northern California counties, or both, to the department for the operating costs of the cemetery.

(3) Total expenditures for operations and maintenance should not be more than six hundred thousand dollars (\$600,000) per fiscal year, as appropriated in the annual Budget Act.

SEC. 57. Section 1402 is added to the Military and Veterans Code, to read:

1402. (a) Proposals for the construction, placement, or donation of monuments and memorials to the cemetery shall be subject to review by an advisory committee comprised of the cemetery administrator, representatives from the County of Shasta, local veterans' service organizations, and others as approved by the director.

(b) All proposals for the construction, placement, or donation of monuments and memorials to the cemetery shall be subject to the approval of the director.

(c) The department shall adopt regulations for the policies and procedures to be followed with respect to the design, placement, and approval of monuments and memorials proposed to be placed on the cemetery grounds.

SEC. 58. Section 1403 is added to the Military and Veterans Code, to read:

1403. (a) Notwithstanding Section 11005 of the Government Code, the cemetery administrator, subject to the approval of the director, may accept donations of personal property, including cash or other gifts, to be used for the maintenance or beautification of the cemetery.

(b) Cash donations shall be deposited into the Northern California Veterans Cemetery Perpetual Maintenance Fund and shall be expended for the maintenance and repair of the facility or, subject to the approval of the director, for a specified cemetery maintenance or beautification project designated by the donor.

(c) Notwithstanding Section 13340 of the Government Code, donations deposited to the credit of the Northern California Veterans Cemetery Perpetual Maintenance Fund as authorized by this section shall be continuously appropriated to the department, without regard to fiscal year.

SEC. 59. Section 1214.1 of the Penal Code is amended to read:

1214.1. (a) In addition to any other penalty in infraction, misdemeanor, or felony cases, the court may impose a civil assessment of up to three hundred dollars (\$300) against any defendant who fails, after notice and without good cause, to appear in court for any proceeding authorized by law or who fails to pay all or any portion of a fine ordered by the court. This assessment shall be deposited in the Trial Court Trust Fund, as provided in Section 68085 of the Government Code.

(b) The assessment shall not become effective until at least 10 calendar days after the court mails a warning notice to the defendant by first-class mail to the address shown on the notice to appear or to the defendant's last known address. If the defendant appears within the time specified in the notice and shows good cause for the failure to appear or for the failure to pay a fine, the court shall vacate the assessment.

(c) If a civil assessment is imposed under this section, no bench warrant or warrant of arrest shall be issued with respect to the failure to appear at the proceeding for which the assessment is imposed or the failure to pay the fine. An outstanding, unserved bench warrant or warrant of arrest for a failure to appear or for a failure to pay a fine shall be recalled prior to the subsequent imposition of a civil assessment.

(d) The assessment imposed under subdivision (a) shall be subject to the due process requirements governing defense and collection of civil money judgments generally.

(e) Each court and county shall maintain the collection program that was in effect on July 1, 2005, unless otherwise agreed to by the court and county. If a court and a county do not agree on a plan for the collection of civil assessments imposed pursuant to this section after the implementation of Sections 68085.6 and 68085.7 of the Government Code, the court or the

county may request arbitration by a third party mutually agreed upon by the Administrative Director of the Courts and the California State Association of Counties.

(f) Notwithstanding any other provision of law, upon direction of the Administrative Office of the Courts, the court shall deposit the money collected under this section as soon as practicable after collection and on a regular basis into a bank account specified by the Administrative Office of the Courts. The deposits shall be made as required by rules adopted by and financial policies and procedures authorized by the Judicial Council under subdivision (a) of Section 77206 of the Government Code. Within 15 days after the end of the month in which the money is collected, the court shall provide the Administrative Office of the Courts with a report of the money collected as specified by the Administrative Office of the Courts. The money shall be transmitted to the Controller for deposit in the Trial Court Trust Fund by the Administrative Office of the Courts.

SEC. 60. Section 6611 of the Public Contract Code is amended to read:

6611. (a) Notwithstanding any other provision of law, the Department of General Services may, relative to contracts for goods, services, information technology, and telecommunications, use a negotiation process if the department finds that one or more of the following conditions exist:

(1) The business need or purpose of a procurement or contract can be further defined as a result of a negotiation process.

(2) The business need or purpose of a procurement or contract is known by the department, but a negotiation process may identify different types of solutions to fulfill this business need or purpose.

(3) The complexity of the purpose or need suggests a bidder's costs to prepare and develop a solicitation response are extremely high.

(4) The business need or purpose of a procurement or contract is known by the department, but negotiation is necessary to ensure that the department is receiving the best value or the most cost-efficient goods, services, information technology, and telecommunications.

(b) When it is in the best interests of the state, the department may negotiate amendments to the terms and conditions, including scope of work, of existing contracts for goods, services, information technology, and telecommunications, whether or not the original contract was the result of competition, on behalf of itself or another state agency.

(c) (1) The department shall establish the procedures and guidelines for the negotiation process described in subdivision (a), which procedures and guidelines shall include, but not be limited to, a clear description of the methodology that will be used by the department to evaluate a bid for the procurement goods, services, information technology, and telecommunications.

(2) The procedures and guidelines described in paragraph (1) may include provisions that authorize the department to receive supplemental bids after the initial bids are opened. If the procedures and guidelines include these provisions, the procedures and guidelines shall specify the



conditions under which supplemental bids may be received by the department.

SEC. 61. Section 10111 is added to the Public Contract Code, to read:

10111. Commencing January 1, 2007, the department shall make available a report on contracting activity containing the following information:

(a) A listing of consulting services contracts that the state has entered into during the previous fiscal year. The listing shall include the following:

- (1) The name and identification number of each contractor.
- (2) The type of bidding entered into, the number of bidders, whether the low bidder was accepted, and if the low bidder was not accepted, an explanation of why another contractor was selected.
- (3) The amount of the contract price.
- (4) Whether the contract was a noncompetitive bid contract, and why the contract was a noncompetitive bid contract.
- (5) Justification for entering into each consulting services contract.
- (6) The purpose of the contract and the potential beneficiaries.
- (7) The date when the initial contract was signed, and the date when the work began and was completed.

(b) The report shall also include a separate listing of consultant contracts completed during that fiscal year, with the same information specified in subdivision (a).

(c) The information specified in subdivisions (a) and (b) shall also include a list of any contracts underway during that fiscal year on which any change was made regarding the following:

- (1) The completion date of the contract.
- (2) The amount of money to be received by the contractor, if it exceeds 3 percent of the original contract price.
- (3) The purpose of the contract or duties of the contractor. A brief explanation shall be given if the change in purpose is significant.

(d) The level of participation, by agency, of disabled veteran business enterprises in statewide contracting and shall include dollar values of contract award for the following categories:

- (1) Construction.
- (2) Architectural, engineering, and other professional services.
- (3) Procurement of materials, supplies, and equipment.
- (4) Information technology procurements.

Additionally, the report shall include a statistical summary detailing each awarding department's goal achievement and a statewide total of those goals.

(e) The level of participation by small business in state contracting including:

- (1) Upon request, an up-to-date list of eligible small business bidders by general procurement and construction contract categories, noting company names and addresses and also noting which small businesses also qualify as microbusinesses.

(2) By general procurement and construction contract categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(3) By awarding department and general procurement and construction categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(4) Any recommendations for changes in statutes or state policies to improve opportunities for small businesses and microbusinesses.

(5) A statistical summary of small businesses and microbusinesses certified for state contracting by the number of employees at the business for each of the following categories: 0-5, 26-50, 51-75, and 76-100.

(6) To the extent feasible, beginning in the year 2008, the number of contracts awarded by the department in the categories specified in paragraph (5).

(7) The number of contracts and dollar amounts awarded annually pursuant to Section 14838.5 of the Government Code to small businesses, microbusinesses, and disabled veteran business enterprises.

(f) The level of participation of business enterprises, by race, ethnicity, and gender of owner, in contracts as identified in Section 2051 of the Government Code, to the extent that the information has been voluntarily reported to the department. In addition, the report shall contain the levels of participation of business enterprises, by race, ethnicity, and gender of owner, for the following categories of contracts, to the extent that the information has been voluntarily reported to the department:

(1) Construction.

(2) Purchases of materials, supplies, or equipment.

(3) Professional services.

SEC. 62. Section 10115.5 of the Public Contract Code is amended to read:

10115.5. (a) Notwithstanding Section 7550.5 of the Government Code, on January 1 of each year, each awarding department shall report to the Governor and the Legislature on the level of participation by minority, women, and disabled veteran business enterprises in contracts as identified in this article for the fiscal year beginning July 1 and ending June 30. In addition, the report shall contain the levels of participation by minority, women, and disabled veteran business enterprises for the following categories of contracts:

(1) Construction.

(2) Purchases of materials, supplies, and equipment.

(3) Professional services.

(4) All contracts for a dollar amount of less than twenty-five thousand dollars (\$25,000).

(b) If the established goals are not being met, the awarding department shall report the reasons for its inability to achieve the standards and identify remedial steps it shall take.

(c) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 63. Section 10116 of the Public Contract Code is amended to read:

10116. (a) On January 1, of each year, each awarding department shall report to the Governor and the Legislature on the level of participation of business enterprises, by race, ethnicity, and gender of owner to the extent that information has been voluntarily reported to the awarding department in contracts as identified in this article for the fiscal year beginning July 1 and ending June 30. In addition, the report shall contain the levels of participation of business enterprises, by race, ethnicity, and gender of owner, for the following categories of contracts:

- (1) Construction.
- (2) Purchases of materials, supplies, or equipment.
- (3) Professional services.
- (4) All contracts for a dollar amount of less than twenty-five thousand dollars (\$25,000).

(b) Awarding departments are prohibited from using the data compiled under this section to discriminate or provide a preference in the awarding of any contracts.

(c) Contractors are prohibited from using the information compiled under this section to discriminate or provide a preference in the solicitation or acceptance of bids for subcontracting, or for materials or equipment, on the basis of race, color, sex, ethnic origin, or ancestry.

(d) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 64. Section 10359 of the Public Contract Code is amended to read:

10359. (a) Each state agency shall annually prepare a report pursuant to this section that includes a list of the consulting services contracts that it has entered into during the previous fiscal year. The listing shall include the following information:

- (1) The name and identification of each contractor.
- (2) The type of bidding entered into, the number of bidders, whether the low bidder was accepted, and if the low bidder was not accepted, an explanation of why another contractor was selected.
- (3) The amount of the contract price.
- (4) Whether the contract was a sole-source contract, and why the contract was a sole-source contract.
- (5) Justification for entering into each consulting services contract.
- (6) The purpose of the contract and the potential beneficiaries.
- (7) The date when the initial contract was signed, and the date when the work began and was completed.

The report shall also include a separate listing of consultant contracts completed during that fiscal year, with the same information as above.

(b) The report this section requires shall also include a list of any contracts underway during that fiscal year on which any change was made regarding the following:

(1) The completion date of the contract.

(2) The amount of money to be received by the contractor, if it exceeds 3 percent of the original contract price.

(3) The purpose of the contract or duties of the contractor. A brief explanation shall be given if the change in purpose is significant.

(c) Copies of the annual report shall be sent within 60 working days after the end of the previous fiscal year to the Legislative Analyst, the Department of Finance, the Department of General Services, the State Auditor, the Joint Legislative Budget Committee, the Joint Legislative Audit Committee, the Senate Appropriations Committee, and the Assembly Appropriations Committee.

(d) State agencies may not use the temporary budget allocation process as a means of circumventing the requirements of this section.

(e) Within 120 working days after the close of the fiscal year, the department shall furnish to the officials and committees listed in subdivision (c), a list of the departments and agencies that have not submitted the required report specified in this section.

(f) The department shall annually submit to the Legislature, the Legislative Analyst, the Department of Finance, and the Auditor General, a report describing the information furnished to the department pursuant to this section.

(g) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 65. Section 42102 is added to the Public Resources Code, to read:

42102. There is hereby created, in the State Treasury, the Chrome Plating Pollution Prevention Fund, for the sole purpose of receiving deposits of state, federal, or local government money, and other public or private money, for expenditure, upon appropriation by the Legislature, by the Business, Transportation and Housing Agency.

SEC. 66. Section 5003.2 of the Public Utilities Code is amended to read:

5003.2. (a) Notwithstanding Section 5003.1, the commission shall require every highway carrier otherwise subject to Section 5003.1 for whom the commission does not establish minimum or maximum rates, or require rates to be on file with the commission, to pay a fee equal to one-tenth of 1 percent of the amount of gross operating revenue.

(b) When a household goods carrier pursuant to Section 5137 elects to transport under its household goods carrier permit used office, store, and institution furniture and fixtures, notwithstanding Section 5003.1, the fee on the gross operating revenue derived from transporting those items shall be one-tenth of 1 percent.

(c) The commission may raise the fee imposed by Section 5003.1 upon those persons and corporations subject to that section for whom the commission establishes minimum or maximum rates or requires rates to be on file, up to a maximum of seven-tenths of 1 percent of gross operating revenue, if the commission decides this increase is necessary to maintain adequate financing for the Transportation Rate Fund.

SEC. 67. Section 97.76 of the Revenue and Taxation Code is amended to read:

97.76. (a) On or before September 1, 2004, the Controller shall determine the countywide vehicle license fee adjustment amount, as defined in Section 97.70, for the 2004–05 fiscal year and the vehicle license fee adjustment amount, as defined in Section 97.70, for each city, county, and city and county for the 2004–05 fiscal year, and notify the county auditor of these amounts.

(b) On or before October 15, 2005, in consultation with the Bureau of State Audits, the Controller shall determine the amount specified in clause (i) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 97.70 for each city, county, and city and county and notify the county auditor of these amounts.

SEC. 68. Section 6479.3 of the Revenue and Taxation Code is amended to read:

6479.3. (a) Any person whose estimated tax liability under this part averages ten thousand dollars (\$10,000) or more per month, as determined by the board pursuant to methods of calculation prescribed by the board, shall remit amounts due by an electronic funds transfer under procedures prescribed by the board. Any person who collects use tax on a voluntary basis is not required to remit amounts due by electronic funds transfer.

(b) Any person whose estimated tax liability under this part averages less than ten thousand dollars (\$10,000) per month or any person who voluntarily collects use tax may elect to remit amounts due by electronic funds transfer with the approval of the board. The election shall be operative for a minimum of one year.

(c) Any person remitting amounts due pursuant to subdivision (a) or (b) shall perform electronic funds transfer in compliance with the due dates set forth in Article 1 (commencing with Section 6451) and Article 1.1 (commencing with Section 6470). Payment is deemed complete on the date the electronic funds transfer is initiated, if settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If settlement to the state's demand account does not occur on or before the banking day following the date the transfer is initiated, payment is deemed to occur on the date settlement occurs.

(d) Any person remitting taxes by electronic funds transfer shall, on or before the due date of the remittance, file a return for the preceding reporting period in the form and manner prescribed by the board. Any person who fails to timely file the required return shall pay a penalty of 10 percent of the amount of taxes, exclusive of prepayments, with respect to the period for which the return is required.

(e) (1) Except as provided in paragraph (2), any person required to remit taxes pursuant to this article who remits those taxes by means other than appropriate electronic funds transfer shall pay a penalty of 10 percent of the taxes incorrectly remitted.

(2) A person required to remit prepayments pursuant to this article who remits a prepayment by means other than an appropriate electronic funds transfer shall pay a penalty of 6 percent of the prepayment amount incorrectly remitted.

(f) Except as provided in Sections 6476 and 6477, any person who fails to pay any tax to the state or any amount of tax required to be collected and paid to the state, except amounts of determinations made by the board under Article 2 (commencing with Section 6481) or Article 3 (commencing with Section 6511), within the time required shall pay a penalty of 10 percent of the tax or amount of tax, in addition to the tax or amount of tax, plus interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the date on which the tax or the amount of tax required to be collected became due and payable to the state until the date of payment.

(g) In determining whether a person's estimated tax liability averages ten thousand dollars (\$10,000) or more per month, the board may consider tax returns filed pursuant to this part and any other information in the board's possession.

(h) Except as provided in subdivision (i), the penalties imposed by subdivisions (d), (e), and (f) shall be limited to a maximum of 10 percent of the taxes due, exclusive of prepayments, for any one return. Any person remitting taxes by electronic funds transfer shall be subject to the penalties under this section and not Section 6591.

(i) The penalties imposed with respect to paragraph (2) of subdivision (e) and Sections 6476 and 6477 shall be limited to a maximum of 6 percent of the prepayment amount.

(j) The board shall promulgate regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code for purposes of implementing this section.

SEC. 69. Section 18631.7 is added to the Revenue and Taxation Code, to read:

18631.7. (a) Any check casher engaged in the trade or business of cashing checks that, in the course of that trade or business, cashes checks totaling more than ten thousand dollars (\$10,000) in one transaction or two or more transactions for the same person within the calendar year, shall file an informational return with the Franchise Tax Board with respect to that transaction or transactions.

(b) The return required in subdivision (a) shall be filed no later than 90 days after the end of the calendar year and in the form and manner prescribed by the Franchise Tax Board, and shall, at a minimum, contain both of the following:

(1) The name, address, taxpayer identification number, and any other identifying information of the person presenting the check that the Franchise Tax Board deems necessary.

(2) The amount and date of the transaction or transactions.

(c) For purposes of this section both of the following definitions apply:

(1) “Check cashier” means any person as defined under Section 1789.31 of the Civil Code.

(2) “Checks” includes warrants, drafts, money orders, and other commercial paper serving the same purpose.

(d) With respect to a person who fails to file the report required by this section or fails to include all of the information required to be shown on that report, both of the following apply:

(1) Sections 6721 and 6724 of the Internal Revenue Code, as those sections read on January 1, 2005, apply, except that the “Franchise Tax Board” is substituted for the “secretary” in each place it appears in those sections.

(2) If the failure was willful, the person is guilty of a felony and, upon conviction thereof, shall be fined not more than twenty-five thousand dollars (\$25,000) or, in the case of a corporation, not more than one hundred thousand dollars (\$100,000), or imprisoned not more than one year, or both, together with the costs of prosecution.

SEC. 70. Section 19183 of the Revenue and Taxation Code is amended to read:

19183. (a) (1) A penalty shall be imposed for failure to file correct information returns, as required by this part, and that penalty shall be determined in accordance with Section 6721 of the Internal Revenue Code.

(2) Section 6721(e) of the Internal Revenue Code is modified to the extent that the reference to Section 6041A(b) of the Internal Revenue Code shall not apply.

(b) (1) A penalty shall be imposed for failure to furnish correct payee statements as required by this part, and that penalty shall be determined in accordance with Section 6722 of the Internal Revenue Code.

(2) Section 6722(c) of the Internal Revenue Code is modified to the extent that the references to Sections 6041A(b) and 6041A(e) of the Internal Revenue Code shall not apply.

(c) A penalty shall be imposed for failure to comply with other information reporting requirements under this part, and that penalty shall be determined in accordance with Section 6723 of the Internal Revenue Code.

(d) (1) The provisions of Section 6724 of the Internal Revenue Code relating to waiver, definitions, and special rules, shall apply, except as otherwise provided.

(2) Section 6724(d)(1) of the Internal Revenue Code is modified as follows:

(A) The following references are substituted:

(i) Subdivision (a) of Section 18640, in lieu of Section 6044(a)(1) of the Internal Revenue Code.

(ii) Subdivision (a) of Section 18644, in lieu of Section 6050A(a) of the Internal Revenue Code.

(B) References to Sections 4093(c)(4), 4093(e), 4101(d), 6041(b), 6041A(b), 6045(d), 6051(d), and 6053(c)(1) of the Internal Revenue Code shall not apply.

(C) The term “information return” shall also include both of the following:

(i) The return required by paragraph (1) of subdivision (i) of Section 18662.

(ii) The return required by subdivision (a) of Section 18631.7.

(3) Section 6724(d)(2) of the Internal Revenue Code is modified as follows:

(A) The following references are substituted:

(i) Subdivision (b) of Section 18640, in lieu of Section 6044(e) of the Internal Revenue Code.

(ii) Subdivision (b) of Section 18644, in lieu of Section 6050A(b) of the Internal Revenue Code.

(B) References to Sections 4093(c)(4)(B), 6031(b), 6037(b), 6041A(e), 6045(d), 6051(d), 6053(b), and 6053(c) of the Internal Revenue Code shall not apply.

(C) The term “payee statement” shall also include the statement required by paragraph (2) of subdivision (i) of Section 18662.

(e) In the case of each failure to provide a written explanation as required by Section 402(f) of the Internal Revenue Code, at the time prescribed therefor, unless it is shown that the failure is due to reasonable cause and not to willful neglect, there shall be paid, on notice and demand of the Franchise Tax Board and in the same manner as tax, by the person failing to provide that written explanation, an amount equal to ten dollars (\$10) for each failure, but the total amount imposed on that person for all those failures during any calendar year shall not exceed five thousand dollars (\$5,000).

(f) Any penalty imposed by this part shall be paid on notice and demand by the Franchise Tax Board and in the same manner as tax.

SEC. 71. Section 19523.5 is added to the Revenue and Taxation Code, to read:

19523.5. (a) If the United States Secretary of the Treasury has, under the authority of Section 330(b) of Subchapter II of Chapter 3 of Subtitle 1 of Title 31 of the United States Code, suspended or disbarred a person from practice before the United States Department of the Treasury, the Franchise Tax Board shall, after notice and opportunity for a proceeding, suspend or disbar that person from practice before the Franchise Tax Board during the period of federal suspension or disbarment, unless the action of the United State Secretary of the Treasury was clearly erroneous.

(b) For purposes of this section, both of the following definitions apply:

(1) “Practice” or “practices” means all matters connected with a presentation to the Franchise Tax Board or any of its officers or employees



relating to a taxpayer's rights, privileges, or liabilities under laws or regulations administered by the Franchise Tax Board.

(2) "Presentations" means, but is not limited to, preparing and filing documents, corresponding and communicating with the Franchise Tax Board, and representing a client at conferences, hearings, and meetings.

(c) (1) Every person who practices before the Franchise Tax Board and is suspended or disbarred from practice before the United States Department of the Treasury shall notify the Franchise Tax Board, in writing, within 45 days of the issuance of a final order disbarring or suspending the person pursuant to Section 10.80 of Subpart D of Part 10 of Subtitle A of Title 31 of the Code of Federal Regulations, revised as of July 26, 2002.

(2) Any person that fails to notify the Franchise Tax Board pursuant to paragraph (1) shall be subject to a penalty of five thousand dollars (\$5,000).

(d) The written notice required by subdivision (c) shall concede the accuracy of the federal action, or state the reason or reasons why the federal action is clearly erroneous.

(e) Any person that has been suspended or disbarred from practice before the Franchise Tax Board may seek review of that determination by bringing an action pursuant to Section 1085 of the Code of Civil Procedure.

(f) The Franchise Tax Board may prescribe any regulations necessary to carry out the purposes of this section.

(g) This section shall be effective for final federal orders of disbarment or suspension issued on or after the enactment date of this act.

SEC. 72. Section 19701 of the Revenue and Taxation Code is amended to read:

19701. Any person who does any of the following is liable for a penalty of not more than five thousand dollars (\$5,000):

(a) With or without intent to evade any requirement of Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part or any lawful requirement of the Franchise Tax Board, repeatedly over a period of two years or more, fails to file any return or to supply any information required, or who, with or without that intent, makes, renders, signs, or verifies any false or fraudulent return or statement, or supplies any false or fraudulent information, resulting in an estimated delinquent tax liability of at least fifteen thousand dollars (\$15,000).

(b) Aids, abets, advises, encourages, or counsels any person to evade the tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) by not filing any return or supplying any information required under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part, or, by making, rendering, signing, or verifying any false or fraudulent return or statement, or by supplying false or fraudulent information.

(c) Under this part, is required to pay any estimated tax or tax, who willfully fails to pay that estimated tax or tax, at the time or times required by law or regulations.

The penalty shall be recovered in the name of the people in any court of competent jurisdiction. Counsel for the Franchise Tax Board may, upon request of the district attorney or other prosecuting attorney, assist the prosecuting attorney in presenting the law or facts to recover the penalty at the trial of a criminal proceeding for violation of this section.

That person is also guilty of a misdemeanor and shall upon conviction be fined not to exceed five thousand dollars (\$5,000) or be imprisoned not to exceed one year, or both, at the discretion of the court, together with costs of investigation and prosecution. The preceding sentence shall not apply to any person who is mentally incompetent, or suffers from dementia, Alzheimer's disease, or similar condition.

(d) For purposes of subdivision (a), the president of a corporation, or the chief operating officer, is the person presumed to be responsible for filing any return or supplying information required from that corporation.

SEC. 73. Section 9619 is added to the Unemployment Insurance Code, to read:

9619. (a) (1) To the extent that funds are appropriated for this purpose in the annual Budget Act, the department may award grants to regional collaboratives for the creation of regional nursing simulation laboratories that will allow additional nursing students to have access to clinical educational facilities. No single grant made under this section may exceed two hundred and fifty thousand dollars (\$250,000).

(2) During the 2005-06 fiscal year, all grants made under this section shall be made for the creation of regional nursing simulation laboratories that serve rural areas.

(b) The department shall administer grants made under this section, and shall establish procedures and criteria for the awarding of those grants.

SEC. 74. Chapter 3.2 (commencing with Section 18220) is added to Part 6 of Division 9 of the Welfare and Institutions Code, to read:

#### CHAPTER 3.2. JUVENILE PROBATION FUNDING

18220. (a) (1) The Department of Corrections and Rehabilitation, commencing July 1, 2005, shall administer funds appropriated for the purposes of this chapter and allocated pursuant to this section.

(2) For purposes of this chapter, "department" means the Department of Corrections and Rehabilitation.

(b) (1) The department shall administer this chapter, including the establishment of agreements with all county probation departments that receive funding under this chapter.

(2) (A) Subject to the availability of funds in the annual Budget Act, the department shall be responsible for allocating funds to counties.

(B) Commencing with the 2005-06 fiscal year, the department shall allocate one hundred sixty-eight million seven hundred thirteen thousand dollars (\$168,713,000) among counties based on the allocation schedule specified in this subparagraph. In any year in which the total amount appropriated by the Legislature for the purposes of this section differs from the total amount provided in the 2004-05 fiscal year, the amount appropriated shall be apportioned to counties based on the 2004-05 fiscal year allocation schedule as follows:

|                      |              |
|----------------------|--------------|
| Alameda .....        | \$6,667,935  |
| Alpine .....         | \$584        |
| Amador .....         | \$100,667    |
| Butte .....          | \$538,712    |
| Calaveras .....      | \$103,092    |
| Colusa .....         | \$57,526     |
| Contra Costa .....   | \$4,493,504  |
| Del Norte .....      | \$197,338    |
| El Dorado .....      | \$508,807    |
| Fresno .....         | \$3,635,282  |
| Glenn .....          | \$90,484     |
| Humboldt .....       | \$286,072    |
| Imperial .....       | \$572,419    |
| Inyo .....           | \$241,575    |
| Kern .....           | \$4,333,734  |
| Kings .....          | \$647,746    |
| Lake .....           | \$314,736    |
| Lassen .....         | \$91,671     |
| Los Angeles .....    | \$67,713,506 |
| Madera .....         | \$404,791    |
| Marin .....          | \$631,365    |
| Mariposa .....       | \$22,394     |
| Mendocino .....      | \$333,240    |
| Merced .....         | \$584,419    |
| Modoc .....          | \$36,005     |
| Mono .....           | \$12,013     |
| Monterey .....       | \$1,018,813  |
| Napa .....           | \$593,942    |
| Nevada .....         | \$209,805    |
| Orange .....         | \$14,270,138 |
| Placer .....         | \$450,012    |
| Plumas .....         | \$46,127     |
| Riverside .....      | \$5,438,322  |
| Sacramento .....     | \$3,602,070  |
| San Benito .....     | \$360,418    |
| San Bernardino ..... | \$5,856,862  |
| San Diego .....      | \$9,463,866  |
| San Francisco .....  | \$3,232,706  |

|                       |             |
|-----------------------|-------------|
| San Joaquin .....     | \$1,493,704 |
| San Luis Obispo ..... | \$1,013,424 |
| San Mateo .....       | \$3,201,176 |
| Santa Barbara .....   | \$2,794,054 |
| Santa Clara .....     | \$9,799,213 |
| Santa Cruz .....      | \$1,033,949 |
| Shasta .....          | \$694,367   |
| Sierra .....          | \$6,168     |
| Siskiyou .....        | \$126,526   |
| Solano .....          | \$1,748,360 |
| Sonoma .....          | \$2,200,569 |
| Stanislaus .....      | \$889,952   |
| Sutter .....          | \$226,793   |
| Tehama .....          | \$243,674   |
| Trinity .....         | \$58,342    |
| Tulare .....          | \$2,381,471 |
| Tuolumne .....        | \$119,136   |
| Ventura .....         | \$2,900,636 |
| Yolo .....            | \$429,067   |
| Yuba .....            | \$189,721   |

Total ..... \$168,713,000

(C) Commencing with the 2005-06 fiscal year, the department shall allocate thirty-two million seven hundred thousand dollars (\$32,700,000) among counties that operate juvenile camps and ranches based on the number of occupied beds in each camp as of 12:01 a.m. each day, up to the Corrections Standards Authority rated maximum capacity, as determined by the Corrections Standards Authority.

18221. (a) Subject to the availability of funds for the purposes described in this section, funds provided pursuant to subparagraphs (B) and (C) of paragraph (2) of subdivision (b) of Section 18220 may be used to serve children who are habitual truants, runaways, at risk of being wards of the court under Section 601 or 602, or under juvenile court supervision or supervision of the probation department. Funds may be used to serve parents or other family members of these children if serving them will promote increased self-sufficiency, personal responsibility, and family stability for the child. Services shall be provided pursuant to a family service plan. When a family is served by multiple public agencies or in need of services from multiple public agencies, the family service plan shall be developed through an interdisciplinary approach that shall include representatives from agencies that provide services to the family or that may be required to implement the service plan.

(b) Services authorized under this section include all of the following:

- (1) Educational advocacy and attendance monitoring.
- (2) Mental health assessment and counseling.

- (3) Home detention.
- (4) Social responsibility training.
- (5) Family mentoring.
- (6) Parent peer support.
- (7) Life skills counseling.
- (8) Direct provision of, and referral to, prevocational and vocational training.
- (9) Family crisis intervention.
- (10) Individual, family, and group counseling.
- (11) Parenting skills development.
- (12) Drug and alcohol education.
- (13) Respite care.
- (14) Counseling, monitoring, and treatment.
- (15) Gang intervention.
- (16) Sex and health education.
- (17) Anger management, violence prevention, and conflict resolution.
- (18) Aftercare services as juveniles transition back into the community and reintegrate into their families.
- (19) Information and referral regarding the availability of community services.
- (20) Case management.
- (21) Therapeutic day treatment.
- (22) Transportation related to any of the services described in this subdivision.
- (23) Emergency and temporary shelter.

SEC. 75. Section 16 of Chapter 876 of the Statutes of 2003 is amended to read:

Sec. 16. The investigation and enforcement of the provisions contained in Sections 1 to 15, inclusive, of this act shall be accomplished without any duplication of effort on the part of the Attorney General and the Commissioner of Corporations. To the extent that the Attorney General exercises this authority, no General Fund budget augmentations shall be made for this purpose.

SEC. 75.5. (a) The ReadyReturn pilot program, available to taxpayers filing the simplest tax returns with the Franchise Tax Board, may continue to operate as a pilot program during the 2005-06 fiscal year, unless later enacted legislation authorizes the continuation of the program.

(b) The ReadyReturn pilot program authorized herein shall be operated during the 2005-06 fiscal year in the same manner it was operated during the 2004-05 fiscal year.

SEC. 76. Section 11544 of the Government Code, as added by Section 1 of Governor's Reorganization Plan No. 2, submitted to the Legislature on May 9, 2005, is not operative.

SEC. 77. Sections 32 and 76 of this act shall only become operative if Governor's Reorganization Plan No. 2, submitted to the Legislature on May 9, 2005, goes into effect, and these sections shall become operative on the date that the plan becomes effective.

SEC. 78. The Legislature finds and declares that the changes made to existing law by Sections 49 and 51 of this act are consistent with subdivision (c) of Section 53533 and further the goals of the Joe Serna, Jr. Farmworker Housing Grant Program by making migrant farmworker housing available in a more efficient and effective manner.

SEC. 78.5. Notwithstanding any other provision of law, funds appropriated by Item 8180-101-0001 of Section 2.00 of Senate Bill 77 of the 2005-06 Regular Session shall be available for reimbursement of 100 percent of any extraordinary costs incurred by the County of Stanislaus related to the homicide trial in *People v. Peterson* (Super. Ct. No. 1056770). As used in this section, “costs incurred by the County of Stanislaus” do not include any costs paid by the Superior Court for which the Superior Court is responsible.

SEC. 79. (a) The Legislature finds and declares as follows:

(1) The Housing and Emergency Shelter Trust Fund Act of 2002 provided forty-five million dollars (\$45,000,000) for the purpose of funding projects through the Preservation Opportunity Program.

(2) It was the intention of the voters that funds provided through the Housing and Emergency Shelter Trust Fund Act of 2002 be used for projects that would have the greatest impact on the preservation of existing housing stock and programs that provide stable and affordable housing opportunities for the homeless and those at risk of homelessness. In order to effectuate this voter intent, any portion of these funds that remain unencumbered after 30 months revert to the Multifamily Housing Program. The Multifamily Housing Program has been oversubscribed and highly competitive.

(3) Rather than reverting to the Multifamily Housing Program, repayments of the short-term loans made through the Preservation Opportunity Program are deposited into the Preservation Opportunity Fund. However, the demand for funds for projects through the Preservation Opportunity Program has proven to be lower than originally anticipated. Therefore, there is a likelihood that the repayments of Preservation Opportunity Program loans may remain unused in the Preservation Opportunity Fund for extended periods of time.

(4) In passing the Housing and Emergency Shelter Trust Fund Act of 2002, the voters expressly reserved to the Legislature the authority to make program revisions where necessary for the effectiveness or efficiency in meeting the purposes of the various programs.

(b) Therefore, the Legislature determines that it is more efficient and effective to use the repayments of Preservation Opportunity Program loans for the high-demand Multifamily Housing Program.

SEC. 80. (a) On January 1, 2006, all moneys in the Hazardous Waste Reduction Loan Account created pursuant to Section 14096 of the Corporations Code shall be transferred to the Chrome Plating Pollution Prevention Fund created pursuant to Section 42102 of the Public Resources Code, and shall be subject to that section. Those moneys are

subject to all encumbrances on those moneys made prior to January 1, 2005, and to all legal restrictions on their use other than by state statute.

(b) Any moneys paid on or after January 1, 2006, to the Hazardous Waste Reduction Loan Account, for a loan issued pursuant to former Article 13 (commencing with Section 14095) of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code, shall be transferred to the Chrome Plating Pollution Prevention Fund created pursuant to Section 42102 of the Public Resources Code, and shall be subject to that section.

SEC. 80.5. Notwithstanding Section 95.35 of the Revenue and Taxation Code, the Director of Finance shall suspend the State-County Property Tax Administration Grant Program in the 2006-07 fiscal year.

SEC. 81. Sections 65 and 80 of this act shall become operative only if legislation is enacted and becomes operative on or after June 1, 2005, but before July 1, 2006, that requires the funds transferred pursuant to Section 80 of this act to be expended for environmental control technologies for chrome and metal plating related activities.

SEC. 82. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 83. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2005 at the earliest possible time, it is necessary that this act take effect immediately.